Daily Report

Central Eurasia

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Central Eurasia

FBIS-SOV-95-092 *12 May 1995*

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95P50119

[FBIS Media Note]

LEGISLATIVE & REGULATORY DOCUMENTS FROM THE CIS, APR-MAY 1995

The following is a listing of economic legislation recently published in the press of the Commonwealth of Independent States. Citations followed by the notation "Translated" have been translated into English and are available in FBIS publications. (Numbers following the notation indicate FBIS serial numbers identifying the translations in electronic format.)

RUSSIA

Federal law No. 41 "On State Regulation of Electrical and Thermal Energy Tariffs in the Russian Federation." (Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 95 pp 3, 5) Translated as MM2404150295C.

Federal law No. 62 "On Amendments and Additions to the Russian Federation Law 'On the Enterprise Property Tax.'" (Moscow ROSSIYSKAYA GAZETA in Russian 28 Apr 95 p 4) Translated as MM0205160595C.

Federal law No. 63 "On Amendments and Addenda to the Russian Federation Law 'On Value-Added Tax.'" (Moscow ROSSIYSKAYA GAZETA in Russian 28 Apr 95 p 4) Translated as MM0205082995C.

Federal law No. 64 "On Amending and Supplementing the Russian Federation Law 'On the Profit Tax on Enterprises and Organizations.'" (Moscow ROSSIYSKAYA GAZETA in Russian 28 Apr 95 p 4) Translated as MM0205163195C.

Federal law No. 65 "On the Introduction of Changes and Amendments to the Russian Federation Law 'On the Central Bank of the RSFSR.'" (Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 p 3, 5-6) Translation in progress.

Presidential edict No. 389 "On Additional Measures To Step Up Monitoring of Environmental Safety Requirements During the Reprocessing of Spent Nuclear Fuel." (Moscow ROSSIYSKAYA GAZETA in Russian 27 Apr 95 p 3) Translated as MM2704110595.

Presidential edict No. 416 "On Measures To Safeguard Investors' Interests and To Bring Legal Persons' Entrepreneurial Activity Which Is Being Carried Out in Financial and Share Markets Without the Appropriate Licenses Into Line With Russian Federation Legislation." (Moscow ROSSIYSKAYA GAZETA in Russian 28 Apr 95 p 1) Translated as MM0205134295C.

Presidential edict No. 418 "On Support for the Priority Investment Projects Financed Under the Russian-American Framework Agreement for the Russian Oil and Gas Industry of 6 July 1993." (Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 p 3) Translated as MM0505120895.

Presidential edict No. 419 "On Additions to Russian Federation Presidential Edict No. 1184 'On Improving the Operation of the Russian Federation Banking System' of 10 June 1994." (Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 p 3) Translated as MM0505154995.

Presidential edict No. 423 "On Expanding the Rights of Labor Collectives During the Privatization of Profitable Coal-Extracting Enterprises." (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 p 3)

Government decree (no date or number given) "On Licensing the Activity of Enterprises, Establishments and Organizations Carrying Out Work Connected With the Use of Information Constituting a State Secret." (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 p 5) Translation in progress.

Government decree No. 318 "On Exemptions Regarding the Species of Wild Animals Included in Appendixes I and II of the Convention on the International Trade in Species of Wild Fauna and Flora Under Threat of Disappearance of 3 March 1973." (Moscow ROSSIYSKAYA GAZETA in Russian 26 Apr 95 p 5) Translated as MM2704115395.

Government decree No. 332 "On Measures To Rectify the State Regulation of Prices for Gas and the Raw Materials for Its Production." (Moscow ROSSIYSKAYA GAZETA in Russian 21 Apr 95 p 3) Translated as MM2404120995.

Government decree No. 336 "On Measures To Develop the Securities Market in the Russian Federation." (Moscow ROSSIYSKAYA GAZETA in Russian 21 Apr 95 p 3) Translated as MM2504134895C.

Government decree No. 344 (plus statute) "On the Ratification of the Statute on Licensing Activity Pertaining to Rendering Paid Juridical Services." (Moscow ROSSIYSKAYA GAZETA in Russian 4 May 95 p 9)

Government decree No. 360 "On State Support for the Development of Science and Scientific and Technical Developments." (Moscow ROSSIYSKAYA GAZETA in Russian 26 Apr 95 pp 3,5) Translated as MM2704144095C.

Government decree No. 424 "On Raising the Salaries of Employees in Some Budget-Funded Organizations."

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(Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 p 3)

Government directive No. 475 recommending Central Bank freeze on interest payments on credits granted to various agriculture-related enterprises. (Moscow ROSSIYSKAYA GAZETA in Russian 20 Apr 95 p 4) Translated as MM2104102995.

State Customs Committee order No. 174 "On the Procedure for Customs Handling of Goods Originating IN the CIS States and Imported From These States Into the Russian Federation." (Moscow ROSSIYSKAYA GAZETA in Russian 5 May 95 p 12)

Committee on Patents and Trademarks Explanation No. 3 "On the Procedure for Patenting Objects of Industrial Property in Foreign Countries." (Moscow DELOVOY MIR in Russian 10-16 Apr 95 p 3/21)

Committee on Patents and Trademarks Order Confirming Explanation No. 3. (Moscow DELOVOY MIR in Russian 10-16 Apr 95 p 3/21)

Procedure for including items of intellectual property in non-material assets. (Moscow DELOVOY MIR in Russian 10-16 Apr 95 p 3/21)

BELARUS

Presidential edict No. 101 "On Measures To Carry Out the Reformation of State Property." (Minsk NARODNAYA HAZETA in Belarusian 21 Mar 95 p 1) Translated as 955C0016A.

KAZAKHSTAN

Pesidential edict "On Securities and the Stock Exchange." (Almaty KAZAKHSTANSKAYA PRAVDA in Russian 22 Apr, 25 Apr 95)

Presidential edict "On Licensing." (Almaty KAZAKHSTANSKAYA PRAVDA in Russian 21 Apr 95 p 1, 3)

Presidential edict "On Taxes and Other Compulsory Payments Into the Budget." (Almaty KAZAKHSTANSKAYA PRAVDA in Russian 25 Apr-5 May 95)

ITAR-TASS Carries Press Review for 12 May

LD1205070895 Moscow ITAR-TASS in English 0612 GMT 12 May 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW May 12 (Itar-Tass) — The results of the Moscow talks between Presidents Boris Yeltsin of Russia and Bill Clinton of the United States remain the principal topic in today's Moscow-based Russian newspapers.

TRUD writes that, although the two sides stick to their previous positions over many an issue, there is progress in relations between the two Great Powers.

ROSSIYSKIYE VESTI emphasises that six specific statements adopted during the Summit create a "good margin for a continuation of the progressive development of our real-partner relationship".

ROSSIYSKIYE VESTI on the results of the discussion of the Russo- Iranian reactor deal issue. [sentence as received]

The newspaper points out that the two leaders have managed to ease the acuteness of the problem and jointly to find common logic for building such Russo-Iranian cooperation which meets the interests of Moscow and universal security.

NEZAVISIMAYA GAZETA believes that Bill Clinton achieved a serious success when he made Boris Yeltsin recognise the fact of the existence of a military section of the Russo-Iranian contract and give up the enactment of the section.

NEZAVISIMAYA GAZETA reports that Russia may conclude a millions- worth deal with Iran soon to sell up-to-date armament systems and military hardware to Tehran.

PRAVDA reports a meeting between the U.S. President and State Duma members representing various political parties and describes participants' impressions of the meeting.

Agrarian Party leader Mikhail Lapshin, in particular, told the U.S. President that a revival of Russia is possible only through a vigorous development of the countryside.

NEZAVISIMAYA GAZETA reports that a founding congress of "Russia is our home" movement opens in Moscow on Friday. The bulk of more than 300 delegates will be staff members of regional administrations and Presidential missions.

According to the newspaper, Prime Minister Viktor Chernomyrdin will make a conceptual speech at the congress and will possibly suggest extending the moratorium in Chechnya for another three months. Work will also begin on the movement's election ticket. A keen debate is expected over the candidacies of Anatoliy Chubays and Pavel Grachev.

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IZVESTIYA carries an interview with Prime Minister Jozef Oleksy of Poland who stated that Warsaw is prepared to resume military-technical contacts with Moscow.

Touching upon Moscow's concern over the intention of Eastern European countries to join NATO, the Polish premier assured that "Warsaw's stand will always be unambigious: a new Europe cannot be built without Russia".

ROSSIYSKIYE VESTI and TRUD examine prospects for Russia's and Ukraine's entry into the Council of Europe.

IZVESTIYA reports that public hearings on the State Duma — announced amnesty on the occasion of the 50th anniversary of the Victory are to be held in Moscow on May 12.

The writer of an article to this effect criticises "the amnesty's depersonalised nature" which undermines the basic principle of penal court procedure — the inevitability of punishment.

ROSSIYSKIYE VESTI runs a commentary on President Yeltsin-signed decree "On measures to ensure a guaranteed Federal budget revenue resultant of privatisation proceed". The commentary is headlined "Privatisation proceeds may grow".

In the first quarter of this year, privatisation procees accounted for only about one-tenth of the planned amount and the Cabinet of Ministers estimated the situation as a failure.

In this connection the newspaper emphasises that the Decree bans an ahead-of-schedule sale of the blocks of shares of privatised Federal-property enterprises. The idea of mortgage and trust management of shares inherent in the Decree is essential.

KRASNAYA ZVEZDA (Red Star) writes about a "movement of soldiers' fathers" — a new social phenomenon brought on by the Chechnya events. There are already lots of examples when fathers stay together with their sons and are put on the subsistence allowance list.

Federation Council Chairman Meets Shevardnadze

LD1105181295 Moscow ITAR-TASS World Service in Russian 1123 GMT 11 May 95

[By ITAR-TASS parliamentary correspondent Lyudmila Yermakova]

[FBIS Translated Text] Moscow, 11 May — The process of the establishment of Georgian statehood is in need of support, and this is important not only to Georgia but also for the successful development of the CIS and the strengthening of democracy in Russia. This was emphasized during a conversation between Vladimir Shumeyko, chairman of the Russian Federation Council and Eduard Shevardnadze, head of state of the Georgian Republic, which took place today at Shevardnadze's request, an ITAR-TASS correspondent was told by Yuriy Algunov, head of the Federation Council's press center.

Regarding the Abkhaz problem, both sides noted the need for its speediest solution. The head of the Federation Council expressed the opinion that what would be of value here would be the experience of federal construction, at the basis of which lies equality between the various components before the law. In his view, it is precisely this direction that holds the promise of long-term results. The question of the withdrawal of Russia's peace-keeping forces from Abkhazia was not raised at the meeting.

The development of Georgia as an integral and strong republic meets the strategic interests of Russia, which is interested in stability in the neighboring state, Shumeyko noted. The need to search for mutually acceptable ways of solving conflict situations was noted at the meeting.

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Communist, Agrarian Leaders on Talk With Clinton

MM1205102395 Moscow PRAVDA in Russian 12 May 95 p 1

[Interviews with Gennadiy Zyuganov, leader of the Communist Party of the Russian Federation, and Mikhail Lapshin, leader of the Agrarian Party of Russia, conducted by Aleksandr Segal and Aleksandr Golovenko: "Clinton Has Met With Party Leaders" — first paragraph is introduction]

[FBIS Translated Text] A meeting took place yesterday between U.S. President Bill Clinton and leaders of various political parties in the State Duma. The meeting was interesting because, against a background of mounting anticommunist hysteria, attempts to discover a "Red-Brown threat" and the constant denigration of representative power in official and semiofficial publications, President Clinton, one of the present regime's chief backers, considered it necessary to meet with Russian parliamentarians, including representatives of left-wing factions.

Gennadiy Zyuganov: "Where Three Paths Cross"

"In my speech I said frankly that we now find ourselves, as it were, at a point where three roads cross. One path leads to destabilization of the processes under way over a huge area and to the Balkanization of those processes, which is absolutely unacceptable, particularly in a country possessing thermonuclear weapons. The second path leads to a situation in which government becomes crime-ridden and Russia turns into Colombia on a larger scale. The remaining, third path entails holding elections based on strict observance of election legislation. That is the option we insist on, because we understand full well that it is better to compete ideologically and seek to show citizens and voters what you can do than to choose other routes which are disastrous for the country.

"Clinton responded to this by saying that during their conversation on 10 May Yeltsin had guaranteed that the Presidential Staff would place no obstacles whatsoever in the way of honest elections based on the law. So let's see.... Although our president says what he wants, what he says one day he can take back the next."

Mikhail Lapshin: "The Countryside Will Save the Country"

"At the meeting Clinton spoke in favor of the idea of a multiparty system based on a great national ideal, adding that plans to set up a third major party were being hatched in America.

"I observed that the great peasant ideal, as expressed in the work of Pushkin, Tolstoy, Dostoyevskiy, and Sholokhov, represents the same thing for Russia. It is rooted in the enormous expanses of our country, in the peasant ideology, in our way of thinking, life, and culture. The crux of it is that Russia will be unable get off its knees unless the countryside is regenerated. It is precisely through this regeneration that all sectors of the economy — industry, the extraction and processing of natural resources, trade and so forth — can be revived. Clinton's statement about a third party in America places in an ambiguous position those ideologues who have just been arguing to us the case for a two-party system in Russia.

"The participants in the meeting stated that the IMF's 'recommendations,' which Russia strictly complies with, are leading to a decline in U.S. prestige. Clinton resolutely dissociated himself from any identification of his country's position with that of the IMF. He said that the Fund sets the rules of the game for major corporations but cannot order around a country like Russia.

"I and certain others asked Mr. Clinton not to present in his own country the shelling of the Supreme Soviet as a manifestation of democracy."

Further on Clinton Meeting Politicians

LD1105115595 Moscow INTERFAX in English 1036 GMT 11 May 95

[FBIS Transcribed Text] MOSCOW, May 11 (Interfax) — At a meeting with Russian politicians U.S. President Bill Clinton said that his country is interested in the development of political parties and the electoral system in Russia, State Department spokesman Nicholas Burns told journalists.

Those invited to the residence of the U.S. ambassador in Moscow were the leaders of the State Duma parliamentary factions Yegor Gaydar (Russia's Choice), Mikhail Lapshin (the Agrarian Party), Gennadiy Zyuganov (the Communist Party), Ekaterina Lakhova (Women of Russia), Grigoriy Yavlinskiy (Yabloko), Sergey Glazyev (the Democratic Party), and Deputy Boris Fedorov who leads the Forward Russia movement. The conversation also involved the leaders of three Russian areas — Ruslan Aushev (the president of Ingushetia), Yuriy Nozhikov (the governor of Irkutsk Region) and Yegor Stroyev (the governor of Orel Region).

Upon conclusion of the meeting Yavlinskiy told reporters that when speaking with Clinton he said that democracy in Russia is inadequate. According to Yavlinskiy, in real terms democracy in Russia is

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deficient: the press and the people can say whatever they like, but the authorities also do whatever they want. "Elections alone, but only open and fair elections, can alter the situation in the country," he said.

Gaydar expressed concern in connection with the "confrontational trends in Russia", which are beneficial only to those in Russia and the U.S., who are interested in a "return to the Cold War stereotypes," which would make it possible for them to "earn more money on the arms race."

As Gaydar and Yavlinskiy said, at the meeting the leaders of agrarians and communists unexpectedly displayed "loyalty to economic and democratic reforms in Russia." "Had they spoken like this in the Duma and at public rallies, I would withdraw from politics," Gaydar said.

According to Zyuganov, the meeting with the U.S. president was "interesting and informal." As he said, he told the U.S. president that three versions of development in Russia are possible: "total Balkanization," "criminalization or turning into a big Colombia," and "normal democratic elections." "We would like the elections to be fair and democratic, with equal opportunities to use the mass media for all political forces," the Communist Party leader said.

Moscow Unable To Implement CFE Flank Limits

LD1105174795 Moscow INTERFAX in English 1625 GMT 11 May 95

[From the "Diplomatic Panorama" feature: reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] MOSCOW, May 11 (Interfax) — Russia will not be able to implement the provision on flank limitations envisaged in the Treaty on the Conventional Forces in Europe [CFE] by the time this treaty goes into effect in November 1995, a high-ranking Russian diplomat told Interfax Thursday.

He said that Russia was seeking a revision of the conventional weapons limits established for the flank regions, particularly in the south of the country.

He explained that the aggravation of the situation in the North Caucasus, including Chechnya, required the presence of a larger amount of conventional forces and weapons than the limit envisaged in the CFE Treaty.

He said that the U.S. and its western NATO partners "are ready to consider all possible proposals on adjusting the CFE treaty to the new reality, but only within the framework of the conference on the CFE Treaty, to be held in Vienna in May, 1996." He said however, that the U.S. insisted on the observation of the flank limitations by November 1996.

"The Chechen problem will hardly be settled by the time the CFE Treaty comes into effect," said the diplomat.

As we reported earlier, President Yeltsin told a press conference following his talks with President Clinton that the American leader had supported Moscow's position on possible revision of the flank limitations.

Clinton also said that although the two sides had not worked on the details of this problem, they had agreed to continue discussing it.

Clinton Says U.S. 'Shares Tough View' on CFE

LD1205140295 Moscow INTERFAX in English 1330 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — U.S. President Bill Clinton indicated in Moscow that the United States "shares the tough view of the North Atlantic Alliance" and has no intention of meeting the Russian request for reconsidering flank restrictions in the context of the Treaty on Conventional Forces in Europe [CFE], a high-ranking officer on the staff of Russia's Foreign Ministry said Friday in an interview with Interfax.

At the end of the Moscow summit Russian President Boris Yeltsin told journalists that his U.S. counterpart supported his stand on the flank restrictions in the context of the CFE Treaty.

According to the Foreign Ministry source, Clinton admitted that the CFE Treaty was outdated and must be adjusted to new realities. The United States assumes that the signatory nations must meet the Treaty by November 17, 1995 and that the earliest formal discussion of the possibility of rewriting it can take place in May, 1996, at the Vienna conference on the realization of the CFE Treaty, the source said, adding that "this is how the Americans have always felt about the treaty."

But Moscow "makes no bones about its dissatisfaction with the flank restrictions under the CFE Treaty."

"We cannot fit into a framework that fails to meet our domestic needs," the source said. "In bilateral contacts with many countries of the North Atlantic Alliance Russia made no secret of what it really needed in terms of conventional forces and weapons. But our partners showed no understanding," he said.

Nonetheless, "Russia can hardly be expected to withdraw from the CFE Treaty." What Russian Defense Minister Pavel Grachev said on the issue in question must be regarded as the expression of his ministry's rather than the government's views.

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"Taken as a whole, the Treaty meets Russian interests because it imposes similar restrictions on NATO. If Russia withdraws from the treaty, the alliance will face no restrictions, either, and this is not in Russia's interests," the Foreign Ministry source told Interfax.

For the full transcript of Interfax's interview with the Foreign Ministry officer see Interfax's Diplomatic Panorama of May 12.

Panskov Views U.S. Help on Restructuring Debt

LD1105064295 Moscow ITAR-TASS in English 0552 GMT 11 May 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, May 11 (Itar-Tass) — The U.S. Administration will render assistance in the global restructuring of Russia's foreign debt. This is the result of the economic round of Russian-American talks, held in Moscow on Wednesday, Russian Minister of Finance Vladimir Panskov, who took part in the talks, told Itar-Tass.

According to Panskov, "the talks on economic problems were not so strenuous as the summit dialogue, which were held simultaneously." They were the continuation of a dialogue, started during the visit to Washington of a Russian delegation, led by Vice Premier Anatoliy Chubays and Vladimir Panskov, at which Russia and the United States decided to reach agreement on the restructuring of Russia's foreign debt for 1995, as well as on global restructuring. Talks in Washington were mostly of a general character, and the U.S. side promised to formulate their stand by the time Bill Clinton visits Moscow. Now all matters were cleared up, Panskov said. "The U.S. stand, which fully suits us, boils down to the following: the U.S. Secretary of the Treasury promised firm U.S. support on this issue, which is so important for us," Panskov stressed.

An agreement on the restructuring of the Russian debt for 1995 will be reached at the talks with the Paris and London clubs, due to be held in May. It will include the main principles of the approach to the global restructuring of the Russian foreign debt, Panskov said. According to the Russian Minister of Finance, "if the provisions of the statement of the Russian Government and the Central Bank are observed, next autumn we shall be able to start talks on the global restructuring of Russia's foreign debt."

Ilyukhin Criticizes Draft Disarmament Documents

LD1205150795 Moscow INTERFAX in English 1246 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — Chairman of the State Duma Security Committee Viktor Ilyukhin (Communist) believes that it is premature to submit the draft resolution "On Preparation for Considering the Issue of Ratification of the Treaty between the Russian Federation and the United States on Further Reduction and Limitation of Strategic Offensive Weapons and the Convention on Banning Development, Production, Storage, and Utilization of Chemical Weapons" to the chamber for consideration.

In a written conclusion on this document Ilyukhin points out that the project "mixes two agreements which are different in quality, START-1 and START-2."

According to Ilyukhin, "the START-2 Treaty cannot be implemented in its present form because it develops ideas of the START-1 Treaty, however, the conditions which existed during development of this last treaty, namely strategic parity between the USSR and the North Atlantic Alliance, normal situation in economy, military-industrial complex in the USSR, etc., have radically changed." Ilyukhin draws the conclusion that it is necessary to transform this treaty into a new one "given today's realities."

As far as the Convention on Prohibition of Development, Production, Storage, and Unitization of Chemical Weapons is concerned it "is more like a political instrument for a wide-scale destruction of the scientific-technical and industrial-economic potential of Russia and of other countries not belonging to the elite of the new world order but not like an instrument of control over chemical weapons," Ilyukhin believes.

Clinton Stand on Iran Seen as Gesture to Republicans

MM1205084295 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12-19 May 95 p 2

[Report by Stanislav Kucher and Ravil Zaripov: "Deal Which Never Was?"]

[FBIS Translated Text] What at first glance seems the most curious if not the most enigmatic element of

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Bill Clinton's recent visit to Moscow consisted in the statements by the Russian and U.S. presidents regarding the fate of the so-called Iranian deal. Everyone knew that back in the winter Russia had signed a contract with Iran on the construction of a nuclear power station in the port city of Bushehr. Everyone also knew that the United States had immediately opposed this deal, explaining its position by claiming that Iran could use our materials to create nuclear weapons. Finally, everyone had already heard that Russia will not renounce the deal.

And suddenly, at a joint press conference with Yeltsin, Clinton, and we quote, says: "The United States is against the delivery of nuclear power stations to Iran. President Yeltsin has decided after our meeting in the interests of security not to supply a centrifuge to Iran." He is echoed by Yeltsin himself: "There are elements of civil and military power engineering in the contract. The military element consists in the creation of nuclear weapons-grade fuel and a centrifuge and the construction of silos and we have decided to exclude them from the contract."

What is this strange "military part" of the contract and why was not a word said about it before? Did the Americans really tell Yeltsin details of the Russian-Iranian deal which even he did not know? Are these intrigues of our own military-industrial complex again?

In actual fact it is all simple. Russia has not renounced and is hardly likely to renounce the deal (nor a single point of the contract). "The military part of the contract" is an artificial concept and does not exist in reality. Where did it suddenly come from?

By comparison with the war in Chechnya or the question of NATO's expansion the Russian-Iranian deal is the only question on which Clinton and Yeltsin could in principle have agreed on something. Clinton simply could not return home to the States without some specific results from the talks with Yeltsin — the Republicans would simply eat him alive. Most likely Bill imparted these fears to Yeltsin during their four-hour one on one talk. Forgive me, Boris, he said, I realize that your deal is a purely economic one and I personally have no complaints against you. But there are the Republicans.... Our president obviously empathized with his U.S. counterpart's difficult position and with his assistants invented some kind of "military part of the contract" which "we are now renouncing."

U.S. Seen as Winning Concession on Iran Deal

MK1205110195 Moscow NEZAVISIMAYA GAZETA in Russian 12 May 95 p 2

[Report by Dmitriy Gornostayev in the "Opinion" column: "A Second Irangate? Clinton Apparently Decided To Play It in Russia"]

[FBIS Translated Text] The statement made by Russian Federation President Boris Yeltsin after a meeting with his U.S. counterpart on the Iranian issue seemed to be have been taken rather calmly — perhaps even too calmly — by those who heard it. Yet a new Irangate may be involved.

Yeltsin's words were as follows: "...But the contract indeed has elements of both peaceful and military power engineering. Now we have agreed to separate them, and what bears on the military part, the possibility of creating, say, nuclear-weapons-grade fuel or other matters — the centrifuge, the building of mines — we decided to exclude these matters from the contract. That is to say, the military part is canceled; only the peaceful nuclear light-water reactor station remains, which is designed to provide heat and power."

If one recalls previous statements by the Russian leadership on the issue of the contract with Iran to build a nuclear power station in that country, it is not difficult to come to the conclusion that Moscow was simply deceiving the world community when it was saying that this contract involves only peaceful nuclear cooperation and that there is no question of any assistance in developing Tehran's nuclear program. In fact everything turned out to be vice versa. According to a highly placed Russian diplomat, "the centrifuge indeed cannot be sold: It is designed only for arms production."

How and why did the centrifuge suddenly come up at the Russian-U.S. summit? Why was nothing said about it earlier, with statements being made instead that all speculation about the military orientation of Tehran's nuclear program is baseless? According to the same source, "our leaders were not particularly aware of this part of the contract. This has been go-it-alone." Signs are that indeed neither President Boris Yeltsin, nor Prime Minister Viktor Chernomyrdin, nor Foreign Minister Andrey Kozyrev, when speaking on this problem, knew that the contract included provisions on the sale of a

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centrifuge and the training of nuclear scientists. They were told that in this instance there were no problems over the issue of nonproliferation, and so they told the broad public. Nobody was going to verify reports coming from the mid-level — and largely decisive — echelon. If this was the case, the conclusion is this: Leaders know nothing and are doing nothing to find out the details of this transaction which directly affects the interests not just of the mythical nonproliferation but the security of their own state. Although for the sake of fairness it needs to be said that Kozyrev did talk about the need to test Iran's intentions. But things did not go farther than that. It was stated from our side that the deal was under IAEA control and that all the nonproliferation demands were being observed.

It was the United States which checked up on Iran's intentions. Indeed, it does not take a genius intelligence service to come to the conclusion that Tehran wants to acquire a nuclear bomb. After all, Iran assembles centrifuges and buys them not only from Russia but throughout the world. Just as this was done by Iraq: It bought them piecemeal and then assembled them.

On the next to last day of work of the UN conference on the Nuclear Nonproliferation Treaty in New York it becomes clear that Moscow was on the verge of breaking it. Moscow, which advocates an indefinite extension of the Nonproliferation Treaty. Moscow, which after the Russian-U.S. summit meeting, will possibly join COCOM, controlling the export of goods.

If the president and the government did not know about the secret details of the deal, this is simply a shame. But who will guarantee that they did not know about this? In a normal democratic country hours — if not minutes — after such facts are made known, an investigation should begin. It is necessary to find those who tried to sell the equipment and possibly the technology to produce nuclear weapons abroad for $1 billion. Who knew about the military part of the contract, and why were they silent? An investigation into such scandals is a common thing in world practice: A shining example of this is Irangate, in the process of which even then U.S. President Ronald Reagan had to testify in court.

It is quite possible that the main argument Bill Clinton used to sway Boris Yeltsin to admit that the contract between Moscow and Tehran did have a military section, and to abandon the implementation of the latter, was a copy of the protocol of the deal. The ball was in the Kremlin master's court, and there was no comeback. Shortly before the summit, as is known, Strobe Talbott, U.S. deputy secretary of state in charge of the CIS, said that the Americans had recently come by such a document. One can note in passing the professionalism of their special services and either the unprofessionalism of ours or the greed for money by some of those who were supposed to keep the secret. People in the Russian Federation Ministry of Foreign Affairs did not learn about the "military" part of the deal until shortly before the summit. Yet no word came from Smolenskaya [Square].

Now the draft deal is supposed to be considered by the Gore-Chernomyrdin commission. After technical details are finalized and appraised, the U.S. vice president and the Russian prime minister will come to their conclusion. The fate of the contract will finally be decided by Yeltsin and Clinton. Responding to a question from NEZAVISIMAYA GAZETA's correspondent, a highly placed Russian diplomat mentioned no specific dates but said that this will happen very soon. According to other sources, this may happen at the June G-7/G-8 meeting in Halifax.

What does the contract look like now, without the military part? Now it is worth $500 million — half the original figure. Whether is it worthwhile going through with the whole thing given that the United States has offered joint programs with much higher benefits should now become a subject of consideration; now, when it is clear that the Americans were right in expressing their disagreement with the Russian-Iranian deal while Russia was trying to hide an awl in a sack. Even though, according to information in NEZAVISIMAYA GAZETA's possession, Moscow had a proposal for Washington: Give us $500 million, and we shall forget where Iran is. But the United States ignored it. Apparently, along with ensuring the interests of world stability and the nonproliferation regime, they also secured their own interests: The deal is half scuttled and the Americans, according to the same diplomat, will seek more, and oppose the delivery of a light water reactor to Tehran. One can even predict the rationale behind such a stand: If you Russians have said all along that your deal is concerned with peaceful cooperation, and then suddenly a military part of the contract crops up, what is the guarantee that the peaceful section does not have another secret and not very peaceful subsection? And then oust Russia from the Iranian market without any particular efforts.

Therefore it is hardly appropriate to talk now about a full triumph of Russian positions and about Yeltsin's feigned concessions to Clinton at the past summit. The master of the White House has played the Iranian card very well. Yeltsin had nothing with which to cover the trump ace Clinton had brought with him. Now Bill can lead with a king.

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Solton Views Clinton-Yeltsin Talks on Iran Deal

NC1205063395 Moscow Voice of Russia World Service in Persian 1500 GMT 11 May 95

[Commentary by Yuriy Solton]

[FBIS Translated Excerpt] In a joint news conference, the presidents of Russia and of the United States said much more about the points of agreement rather than about disagreements. [passage omitted]

Various joint statements were issued by both sides on various international policy issues. We will refer to some of them.

The two countries' [word indistinct] on disarmament efforts were agreed on and it was announced that the two sides will strive for the rapid approval of SALT-2. [passage omitted]

Specific agreements were also reached on antimissile defense, as well as on controlling the storage and destruction of chemical and biological weapons. Bill Clinton stated that Russia can count on American understanding regarding specific changes in conventional armed forces in Europe.

The two presidents devoted much of their time to problems concerning European security. Boris Yeltsin stressed that Russia opposes the hasty extension of NATO's realm to the East. But he approved cooperation with NATO on the basis of the Partnership for Peace plan. [passage omitted]

The acute nature of the issue of delivering Russian nuclear reactors to Iran was overcome to a large extent. The American intelligence organization's views on Iran's nuclear military ambitions, which President Bill Clinton brought with him, are being carefully examined. But Boris Yeltsin stated that from today the military section, that is, points that can be used for carrying out nuclear military research, will be omitted from the agreement. Russian Prime Minister Viktor Chernomyrdin and U.S. Vice President Al Gore were assigned the duty of specifically examining this issue.

Of course Russian and American views and interests do not and cannot fully conform with each other. But the meeting between the two presidents in Moscow proved that Russian-American cooperation, which has made our world safer, continues.

Clinton's Warning on Nuclear Terrorism Noted

MM1105163495 Moscow IZVESTIYA in Russian 12 May 95 p 3

[Report by Stanislav Kondrashov: "Bill Clinton's Remarks in Moscow in Boris Yeltsin's Absence"]

[FBIS Translated Text] Bill Clinton was franker when addressing Moscow State University [MSU] students and academics than when speaking to journalists. The reason is less that the latter's questions were not conducive to frankness than that Boris Yeltsin was sitting next to him at the press conference.

The U.S. President kept silent when the Russian president categorically denied that military operations are under way in Chechnya. But at MSU Clinton expressed concern over the war in Chechnya — the scale of the war and the methods used in it. Otherwise people back home in the United States would not have understood.

Aiming at both the U.S. and the Russian (including opposition) audiences, the new honorary MSU doctor said that during their one-on-one talks Yeltsin reaffirmed his promise to hold parliamentary and presidential elections "on schedule." Without free elections at the stipulated time democracy is worse than a meaningless phrase — it is autocracy, which disregards the will of the people. It looked somewhat absurd but endearing when the U.S. President, combating the Russian students' apathy born of politicians' cynicism, urged them not to shun taking part in the elections.

The meeting near the end with the leaders of various parliamentary factions — from Gaydar to Zyuganov — also contained a "targeted" message to Americans and Russians: Thinking about his own election campaign, Clinton is not putting all his eggs in one basket with Yeltsin. As a plus point in his policy it is important for him to provide his rivals with proof that the democratic process is under way in Russia and that Russia's first president may be followed by a second, just as the 42d U.S. President will be followed by the 43d provided, of course, that the first Russian president or the 42d U.S. President is not reelected.

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Chechnya and the elections are just two examples of how Clinton tried to paint a fairly broad picture of his visit. The first day was devoted to honoring the veterans and the memory of the soldiers who died in the Great Patriotic War Our incredible casualties shock the U.S. imagination. After all, the Soviet Army lost more people during the storming of Berlin than the Americans lost in battle throughout the war in the Pacific and in Europe. The U.S. President had no need to be ashamed (and nor was he) of the tears that welled up in his eyes at the sight of the veterans marching across Red Square under their combat banners.

We remembered what happened 50 years ago 9 May. When addressing the young generation at MSU the American tried to look to the next 50 years in the new century, the dawn of the new millennium. This is, needless to say, an inconceivable business. But a broad view is necessary in order not to get stuck on the current highly acute U.S.-Russian disagreements — the expansion of NATO with its drawing near to Russia's borders and the Russian nuclear deal with Iran.

They agreed to disagree — that is now a popular formula to describe the results of this discussion. It is not entirely accurate. They agreed to shelve matters: Russia is rejoining "Partnership for Peace," and the tricky issue of the reactors for Iran has been referred to the "Gore-Chernomyrdin Commission." What is the anticipated result? A gradual compromise.

Looking deep into the mists of the next 50 years, Clinton is most concerned by the threats and challenges of nuclear terrorism associated with organized crime. The main source was not directly named but is obvious — the uncontrolled breakup of Russia's nuclear arsenal. The Americans see the most terrible flip side of an integrated world as the fact that criminals — of whom there are plenty in Russia — and the materials needed for the production of "home-made" nuclear weapons, of which there are also more than enough, will join the free flow of people and goods, no longer impeded by the Iron Curtain.

Nuclear versions of the explosion in Oklahoma City, and earlier in the New York World Trade Center, and the gas attacks on the Tokyo subway are seen as specters of a terrible future. The eminent Harvard political scientist Graham Allison, counseling Clinton ahead of his visit to Moscow, pictured in THE WASHINGTON POST a situation where the terrorists in Oklahoma City had used not several thousand pounds of explosive, but just 100 pounds of highly enriched uranium in a primitive nuclear device cobbled together according to very well known recipes. The blast would have destroyed the whole of Oklahoma City.

Describing the former Soviet — now Russian — arsenal as a "nuclear supermarket," the academic suggests buying it up in its entirety — at $1 million for each of the 30,000 nuclear weapons. It would be a bargain — just $30 billion. The purchases would be transported to the United States and placed in a storage facility "under international protection."

Fantasy? Rubbish? The nuclear emasculation of Russia? Who would venture to do this?! Nobody, of course, starting with Pavel Grachev and ending with human rights champion Kovalev.

However, we should carefully ponder and together face up to the most terrible of the challenges of the "new world disorder" mentioned by Clinton in his speech to young Russians, albeit in general terms.

Army Paper Comments on Results of Summit

MM1105192795 Moscow KRASNAYA ZVEZDA in Russian 12 May 95 p 3

[Article by Vladimir Kuzar and Mikhail Pogorelyy: "Results of Russian and U.S. Presidents' Meeting"]

[FBIS Translated Text] At a Kremlin news conference on the results of the Russian and U.S. presidents' seventh meeting 9-10 May in Moscow the leaders of the two states stressed: Today we better understand one another, our worries and concerns. We did not succeed in reaching unity of views on all positions, but the main result of the talks is that the rumors and conjecture regarding insoluble differences or even a crisis in relations between Russia and the United States were convincingly overturned. The presidents coordinated a practical action program designed to implement extensive plans for cooperation between our countries in the immediate future.

Take such a truly complex and disparate problem as the plans for the expansion of the NATO bloc. On the one hand, the West's complaints about Russia's inconsistency with regard to NATO's plans may be just. But it must be admitted that the members of this military-political organization first claim that they do not want to pose a threat to our country's western borders and then talk about selectively admitting to NATO countries which are closer to Russia than others. However, whereas last year the matter was being discussed in theoretical terms as it were, last month the question of specific time frames and candidate countries was raised....

During the present meeting, Russian President Boris Yeltsin said, Russia and the United States did not reach definitive unity of views on this question; this discussion

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will be continued in Halifax in June during the G-7 summit, and in October in New York at the UN 50th-anniversary meeting. However, the sides have now reached an understanding on the need to discuss the problem of NATO in the general context of European security, while taking mandatory account of the new, increased role played by the OSCE [Organization for Security and Cooperation in Europe] in this process. (And it is quite obvious, Robert Hunter, U.S. permanent representative to the United Nations, admitted the other day, that the security structure on the continent is simply inconceivable without Russia's participation. Therefore Bill Clinton and Boris Yeltsin once again addressed the Partnership for Peace program, the prospect of broadening our country's dialogue with NATO.)

It is curious that the "NATO issue" was discussed without being linked to concessions in other spheres. For instance, the Russian president pointed out, we did not ask the U.S. President for assistance in reviewing the CFE flank restrictions for Russia, but Bill Clinton himself said that he is well aware that — with the change in the situation, with the breakup of the USSR — Russia has found itself kind of "trapped" by this treaty's restrictions. And the United States supports the petition to modify some of its provisions in order not to infringe Russia's legitimate interests. Ultimately, Bill Clinton said, we are acting from the premise of whether America and Europe will be more secure or not. If one of the parties to the treaty (not only the CFE Treaty but also any other international agreement) feels disadvantaged, feels that it has been placed in circumstances unequal to those of its neighbors, then that situation will not strengthen peace and security.

It was announced at the news conference that the presidents found points of contact even on the problem of the nuclear deal with Iran, which has become particularly acute of late. Boris Yeltsin stressed that the contract to sell our southern neighbor a light-water nuclear reactor was concluded quite legitimately but said that certain aspects of the deal are causing the Americans serious concern. In particular, Bill Clinton spoke about the documentary evidence in the U.S. Government's possession regarding Iran's plans to develop its own nuclear weapons. In turn the Russian president recognized that it makes sense to separate the civilian and military components of the contract with Iran (for instance, the capability to produce weapons-grade nuclear fuel, and certain categories of technological equipment, such as a gas centrifuge). The president instructed the Commission for Russian- U.S. Scientific and Technical Cooperation led by Albert Gore and Viktor Chernomyrdin to study the technical issues — a definitive decision will be made on the basis of its results. And the Russian and U.S. presidents sent a joint statement on this score to New York, to the conference on problems of the nonproliferation of nuclear and other kinds of mass-destruction weapons, which is drawing to a close.

The Russian and U.S. heads of state also discussed the situation in and around Chechnya. Although this is exclusively Russia's internal affair, Boris Yeltsin said, the Chechen conflict does have definite foreign political aspects. In this connection, the president noted, Russia has agreed to a group of observers from the OSCE being deployed in Groznyy. At the same time, Boris Yeltsin continued, it must be emphasized that constructive work is already under way in the republic, normal living conditions are being established for citizens, the population is being provided with food, water, and electricity, a Chechen Government has been set up, and preparations are under way for parliamentary elections. The usual, normal atmosphere of a democratic republic will shortly be restored there.

In the context of events in Chechnya and the acts of terrorism in the United States and Japan the presidents also mentioned the need for a panhuman, global war on terrorism. This evil cannot be tackled without joint efforts. Moreover, Boris Yeltsin said firmly, it is not talk that is needed here, or conferences and meetings, but joint action. The Russian and U.S. Governments have been instructed to formulate and coordinate these actions. Bill Clinton added that united efforts to combat organized crime, which has long since transcended individual states' borders and is making every effort to gain access to mass-destruction weapons, are equally relevant.

In summation, it can be pointed out that during their seventh meeting the Russian and U.S. presidents outlined and discussed programs for future cooperation between our states, unlike those summits that were mainly devoted to clearing away the obstacles arising from the grave legacy of the confrontational past.

Summit Demonstates 'No Insoluble Contradictions'

MM1205090295 Moscow KRASNAYA ZVEZDA in Russian 12 May 95 p 1

[Editorial office announcement: "Russia and United States: There Are Problems But They Can Be Resolved in a Civilized Manner"]

[FBIS Translated Text] U.S. President Bill Clinton's working visit to Russia ended 11 May. The day before he took part in the celebrations marking the 50th anniversary of the victory over fascist Germany, which was the first part of the program for the U.S. head of state's stay in Russia. Later there were three rounds of

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thorough talks with Russian Federation President Boris Yeltsin. They showed convincingly that there are no insoluble contradictions and there is not even some state of crisis in relations between the two great powers. And the problems which arise — in the military-strategic field, in the trade and economic sphere, in the safeguarding of national and international security — it is entirely possible to resolve in a civilized manner. The two countries' leaders described the results and the agreements reached at a joint press conference on the afternoon of 10 May.

Summit Leads to 'Progress' in Relations

MM1205103895 Moscow TRUD in Russian 12 May 95 pp 1, 7

[Report by Aleksandr Yerastov: "Presidents Decided Against Haste. Clinton Has Acknowledged That Russia's Nuclear Deal With Iran Is Legitimate and Yeltsin Has Promised To Drop the 'Military Section' From the Contract"]

[FBIS Translated Text] On the eve of the Moscow summit which has now ended, some observers were predicting that, since quite a few contradictions and contentious issues had built up in relations between Russia and the United States, the talks between Bill Clinton and Boris Yeltsin might end in utter failure. However, it seems that both the president of Russia and the President of the United States were following the advice that detectives often give in crime thriller movies: "Let's keep cool and examine the whole thing calmly." It is no coincidence that for the first time in two and a half years, this one-on-one meeting lasted almost four hours instead of the planned 90 minutes. The members of the delegations were thus unable to take part in the talks — the meeting was restricted to a narrow group.

And even though the sides stuck to their old positions on many questions, progress has been made in Russian-U.S. relations. Yeltsin and Clinton approved six joint statements. They discussed the key questions of international life of paramount significance to the two sides. Those questions are the evolution of European security structures, the START treaty, the strengthening of the nuclear weapons nonproliferation regime, economic cooperation, and the joint struggle against terrorism.... "It is of fundamental importance," Yeltsin noted at the final press conference, "that the discussion on the European security model took into account the new role of the OSCE because this structure is now beginning to occupy a central place in ensuring stability on the continent."

As expected, one contentious issue in the discussion was the question of NATO's expansion. It was because of the lengthy exchange of opinions on this problem that the meeting itself went on longer than expected. But as the Russian president said, nothing was finalized. Since each man stuck to his guns, they agreed not to rush things but to continue consultations on this question — initially at the G-7 meeting in Halifax (Canada) in June and afterwards possibly at the celebrations marking the 50th anniversary of the United Nations in New York in October. Only then, in Yeltsin's view, can a final accord be reached.

It seems that Clinton has softened his position somewhat on this question. He reminded journalists that "the whole of 1995 is to be devoted exclusively to justifying the need for the expansion of NATO, after which we will decide how to carry out this process." In Clinton's opinion, the most important thing is that "we presidents have agreed that our goal is European integration and that we do not want to see a divided Europe."

The question of Russia's delivery of nuclear reactors and other nuclear power station equipment to Iran was also essentially postponed. However, some progress was made on this problem too. Most observers thought that the only solution to this question that would suit Clinton would be Russia's unconditional abandonment of the deal. It is no coincidence therefore that he brought some top-secret documents to Moscow which were supposed to show that Tehran intends to develop the production of nuclear weapons. To all appearances Yeltsin listened to the U.S. side's arguments and promised to omit the military aspects from the "nuclear contract." As for the "civilian section" of the agreement on nuclear power station construction, that will most probably go ahead.

Clinton in turn acknowledged that the "deliveries are quite legitimate because the contract in question was concluded at an earlier date." However, he stressed, if this is connected with the potential for the creation of nuclear weapons, this deal could pose a threat — not only for the United States but also first and foremost for Russia, which is Iran's neighbor.

Meanwhile it seems that there are so many things in the "nuclear contract" that are unclear or contradictory that the two countries' leaders agreed to refer this question for examination by the "Gore-Chernomyrdin commission." The Russian prime minister and the U.S. vice president have been instructed to reflect specific aspects of this problem in an appropriate agreement by the meeting in June at the latest.

As for the Chechen theme, which was also raised during the discussion, the presidents of the two countries agreed that, unlike the other issues, the solution of

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this question cannot be delayed. Clinton called for the earliest possible cease-fire while Yeltsin, despite stating that "there are no military actions going on in Chechnya," gave an assurance that "the normal atmosphere of a democratic republic will exist there in the near future."

After the joint press conference in the Kremlin 10 May, Bill Clinton met with Moscow State University students that evening.

"Of course it was interesting to hear Clinton and see him with our own eyes, but his speech about democracy and the fight against terrorism was very didactic in tone," was how one third-year physics student commented on the U.S. President's speech at the meeting with the university students. They gave him quite a cordial reception but it seems that their reaction to Clinton's exhortations was quite guarded.

It is interesting that a week before the visit to Russia, sociologists in our country and America were claiming that in Moscow Clinton would see young people far less enamored of America than they had been, say, three years ago. This was the result of a study conducted jointly by Maryland State University, Moscow State University, and the Russian Academy of Sciences among Russian higher education students. "In the past three years young Russians have gradually begun to take a progressively less positive view of Americans and America," the report says. "At the same time their perception of the many problems in their own country has begun to soften somewhat."

Be that as it may, Clinton favored the students, especially the female students, with his charming smile. He was equally charming at yesterday's lunch with leaders of Russia's opposition parties and movements and at the meeting with young workers at the Coca Cola joint venture in Solntsevo, which he visited before his departure for Kiev.

Summit Provides Groundwork for 'Forward Movement'

MM1205090195 Moscow ROSSIYSKIYE VESTI in Russian 12 May 95 p 1

[Article by Grigoriy Karasin: "Six Steps Toward Partnership. Six Very Important Documents Were Adopted During the Russian and U.S. Presidents' Meeting Which Ended in Moscow Yesterday"]

[FBIS Translated Text] The celebrations for the 50th anniversary of the victory in Russia, an anniversary that is truly sacred to every one of our citizens and that is extremely significant morally, have ended. It is universally recognized that it was a successful festival of historical memory. We noted the understanding of the significance of what was happening in Moscow displayed by our foreign guests. Incidentally, Russia has not known such wide representation at such a high level before in this century.

We will remember this festival. We will remember those who came to our capital to pay tribute to those who fell in the war and to our people's contribution to the defeat of fascism. We will also remember those who decided not to come to these festivities in Moscow. History will judge how farsighted those decisions were. But they have, in any case, been deposited in our memory and our perception.

The post-jubilee Russian-U.S. summit confirmed, as it were, that it is no easy matter to fill political declarations and statements with real substance and that it demands political will and the ability to take each other's interests into consideration and sometimes to waive what is secondary for the sake of achieving something of higher importance and priority.

Considerable work was done during the limited hours of the summit. Indeed, as regards the subject of NATO and consideration of the all-European security structure, our concerns and interests were taken into account. It became clear that Russia has opened its doors to a stage-by-stage buildup of cooperation with NATO, but without hastily, hurriedly skipping stages, for this could have dire consequences, right down to a new split in Europe. The Partnership for Peace program is functioning here and needs to be implemented. The course of its fulfillment must suggest the forms of cooperation designed for the future and for the creation of a safer life on earth.

The prospects for deliveries of Russian light-water reactors to Iran were discussed particularly keenly on the eve of the presidents' meeting. In the opinion of many observers, this question could well have been transformed from an item on the summit agenda into a detonator of bilateral relations. And yet this did not happen. The two heads of state managed to eliminate the acuteness of the problem and jointly to find a common logic for building cooperation between Russia and Iran in this sphere which meets the interests both of Russia and of universal security. That is, the pessimistic predictions in the spirit of the "Club of Rome" proved erroneous.

Likewise the arguments of those who believed that the Moscow meeting would be sure to be torpedoed by the events in Chechnya. Despite all the seriousness and painfulness of the Chechen situation, we once again demonstrated our openness and honesty in relations with the world community. Our president unambiguously

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announced the continuation of our cooperation with the Organization for Security and Cooperation in Europe and other international organizations — cooperation which will, so we believe, promote the building of normal, modern civilian structures in that region.

The six specific statements adopted at the meeting in point of fact cover a wide range of important issues — both political ones and trade and economic ones. They create a good groundwork for continuing the forward movement of our relations of real partnership.

Although it is not customary to combine business and pleasure, the fact that they were, like it or not, combined and that the jubilee festivities concluded with quite concrete and fruitful talks and results in one of the most important areas of Russian foreign policy is highly symbolic and cannot fail to gladden us: The prospects opening up for the two states' relations reinforce the peoples' hopes for stronger world peace and security.

Arbatov: No Concrete Results From Summit

LD1105183895 Moscow ITAR-TASS in English 1745 GMT 1 May 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW May 11 (Itar-Tass) — Georgiy Arbatov, director of the Institute for U.S. and Canada Studies, said in an interview with Itar-Tass that the Wednesday talk between Boris Yeltsin and Bill Clinton had not led to concrete results.

Arbatov said he saw much uncertainty in the Russian-Iranian "nuclear contract". It is "unknown whether it had any military component", Arbatov said. "They (the presidents) have not come to any agreement about NATO, and the talk about Europe and COCOM is a mere talk," Arbatov said. The Russian Academician thinks a real event in the Russian-American relations was the strategic arms reduction treaty, START-2, signed in January 1993.

Nothing positive has occurred since in the Russian-American relations; moreover, there have been negative changes, Arbatov, said. "We had no our own policy [as received], and were only trying to humour the Americans", and this bruised Russia's national dignity, Arbatov said.

This and the U.S.' backing to the unpopular Gaydar-led reform stirred anti-American sentiments that Russia did not knew earlier, Arbatov contended. Arbatov said Russia's foreign policy was affected too.

"Kozyrev began to speak the language of Zhirinovsiky," he said.

The October 1993 coup, the war in Chechnya and drastic change in the Russian foreign policy affected the American attitude to Russia, Arbatov said.

Nonetheless, Arbatov thinks the Russian-American relations are more influenced by Russia as "instability in our country is a good argument for Western advocates of Cold War".

UK's Major Interviewed on VE Day Visit

MM1105091695 Moscow IZVESTIYA in Russian 11 May 95 p 3

[IZVESTIYA interview with British Prime Minister John Major in London, recorded by Aleksandr Shalnev; date not given: "Major: I Consider Yeltsin My Personal Friend"]

[FBIS Translated Text] [IZVESTIYA] Your visit to Russia was timed to coincide with the celebration of Victory Day. We would like you to share your thoughts on this.

[Major] My visit to Russia is a tribute to the memory of our joint efforts in the last war and the casualties we suffered. Great Britain was involved in the war from the very outset. The contribution of the Soviet Union, which was made at great cost, was indispensable to the Victory. After the war we looked at each other across a divided Europe. But now we have a historic opportunity to cooperate in rubbing out these divisions and making sure that they are never revived. I value the excellent relations between Britain and Russia. We consult each other closely on many questions. I hope that my visit will help strengthen our cooperation, for which I see many possibilities in the future.

[IZVESTIYA] Your next meeting with President Yeltsin will take place in Halifax, Canada, as we understand it, at the G-7 conference. Do you think that there is a realistic chance this time of turning the G-7 into the G-8, with full participation by Russia?

[Major] After the meeting in Moscow, I will meet President Yeltsin in Halifax. We have many common problems, particularly political problems. I am expecting useful and significant discussions. As for economic matters, the nature of the problems which our economies confront is different. The Russian economy is still in a transitional period. But I would like Russia to be fully integrated in the world economy as quickly as possible.

[IZVESTIYA] Assessing the current state of British-Russian relations, what would you say are the greatest achievements and the greatest problems?

[Major] As I have already said, our relations are excellent. The state visit by Her Majesty the Queen to

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Moscow and St. Petersburg last fall was a historic and symbolic event. Prime Minister Viktor Chernomyrdin has already been in London twice since then. I am pleased that we have established regular contact at all levels on a broad range of questions. Even in areas where there is no accord between us, we are in a position to conduct open discussions in an atmosphere of mutual respect.

[IZVESTIYA] We know that certain politicians in Great Britain, including some in your own party, do not fully share the opinion that President Yeltsin is the only person in Russia today with whom it is possible to have effective dealings, and they believe that Britain should start looking "behind Yeltsin's back." What can you say about this?

[Major] The question is not one of making a choice. President Yeltsin is the democratically elected president of Russia. Furthermore I consider him my personal friend. Naturally we maintain contacts with other politicians in Russia, just as you do in Britain.

[IZVESTIYA] During your contacts with the Russian leaders, will you make it clear that the next parliamentary and presidential elections in Russia should take place within the deadline envisaged by the Constitution, and that delays and deferments will not be welcomed?

[Major] President Yeltsin has repeatedly stated publicly that the elections will be held at the scheduled time. We welcome that commitment.

[IZVESTIYA] Do you expect to be able to give your approval to Moscow's approach to settling the situation in Chechnya? Do you believe that the events in Chechnya are still proving an obstacle in the way of Russia's further integration in the European union?

[Major] We and other Western countries are concerned at what is going on in Chechnya. Many people in Russia itself are also concerned. This question is being hotly debated in your country. We want to see a most speedy and peaceful settlement to the conflict. An important step forward was the recent formation of a permanent mission of the Organization for Security and Cooperation in Europe in Chechnya. We welcome the cooperation displayed by the Russian government in achieving this. We hope to see progress in the next few weeks on the way to a settlement, on the way to ending people's suffering in this region and to speeding up the process of reconstruction and the provision of humanitarian aid.

[IZVESTIYA] Are you concerned at the recent statements made by the Russian foreign minister, who made it abundantly clear that Moscow may resort to the force of arms in order to protect the Russian-speaking population in the CIS and in other countries of the former Union? Do you think that your own experience in Ulster could be useful to the Kremlin leaders in their attempts to solve similar problems in the CIS?

[Major] As I understand it, the statements that Foreign Minister Kozyrev made were in a very specific context, the context of protecting Russian people who are under threat in conflict situations. Russia has stated repeatedly that it respects the sovereignty and independence of all the states that used to be in the Soviet Union. I do not think that it would be particularly useful to seek out parallels between the situation in Northern Ireland and the problems which the CIS countries are coming up against.

Ukraine's Reception for Clinton Discussed

MM1205150495 Moscow IZVESTIYA in Russian 13 May 95 p 2

[Report by Yanina Sokolovskaya: "Not For Nothing Was Bill Clinton Wearing a Cossack Hat. He Displayed Truly Ukrainian Understanding of Kiev's Problems"]

[FBIS Translated Text] Kiev — People were looking forward to Bill Clinton's visit with hope: that technical assistance would be provided in improving the banking system and their foreign debts would be paid.

They did not await Clinton empty-handed but bearing gifts. The first was prepared in Kiev sculptor V. Znoba's workshop and was initially intended to take the form of a sculpture of the U.S. President with Hillary tenderly bent over him. Because the composition weighed too much and was too costly, the figure of Mrs. Clinton had to be removed.

At the moment when the sculptor Znoba was carrying out the "bronze divorce," a second gift for Clinton had already been produced in Zhitomir — 2,000 bottles of pure Ukrainian "President's" vodka with a picture of a Cossack Bill Clinton on the label wearing a rakishly cocked Cossack hat. This gift had admittedly been prepared for the visit not with Ukrainian money but on the orders of the U.S. Embassy in Ukraine.

It is not known whether the two presidents tried the vodka during the gala reception, but the event which preceded it was indeed worthy of it. The signing of the Ukrainian and U.S. Presidents' joint statement revealed new realities in economic and political cooperation between the two states. President Clinton stressed the importance of the continuation of Ukrainian reforms and of Leonid Kuchma's "bold leadership role in this work."

The presidents pointed to the need for Ukraine to take an active part in the NATO Partnership for Peace program

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(around $10 million is being allocated for that purpose end in 1996). Clinton promised over $1 million this year within the framework of this program. Plus, the United States will provide $250 million in credit to cover Ukrainian needs for critical imports. Furthermore, under the Nunn-Lugar program Ukraine is being allocated an additional $27 million.

As for the Crimean problem, both presidents acknowledged that it must be resolved on the principles of respect for the states' territorial integrity.

Judging by the statement made by Ukrainian Foreign Minister H. Udovenko after the talks, the United States is not inclined to participate in resolving the problems of the Black Sea Fleet via a tripartite agreement between the United States, Russia, and Ukraine, as happened with questions of nuclear disarmament.

The $4 billion or more requested by Ukraine to eliminate the aftermath of the Chernobyl disaster proved too large a sum for the United States to be able to grant it autonomously. These problems were not reflected in the joint statement — Clinton intends to raise them during the G-7 meeting in Halifax.

PRAVDA: U.S. Sees Ukraine as 'Key Partner'

MM1205112795 Moscow PRAVDA in Russian 12 May 95 p 1

[Commentary by Viktor Drozd: "White House Views the Dnepr"]

[FBIS Translated Text] Kiev — Of late Kiev officials have literally been too busy to meet with and accompany high-ranking figures from West European states and various international organizations. However, discussion of the prospects for President Bill Clinton's first state visit to the banks of the Dnepr has squeezed out comment on the reason for the very active interest shown in Ukraine.

As American expert P. Golub observed during an interview on Ukrainian television, Bill Clinton's preference for going to Moscow and Kiev rather than take part in VE Day ceremonies in the Western capitals shows the U.S. Administration demonstrating "undoubtedly dynamic thinking."

This "dynamic thinking" resides, in particular, in the fact that the White House regards Ukraine as a key partner and a stabilizing factor in Europe, specially since Ukraine was first to renounce nuclear weapons and has firmly embarked on reform. That is why tangible support must be given to Ukraine regardless of the development of dialogue and cooperation with Russia. ' The joint statement by the presidents and the signing of a dozen economic documents are designed to demonstrate this support. Bill Clinton's itinerary envisages, moreover, talks with Leonid Kuchma on economic problems, a visit to the Babiy Yar memorial, and a speech to Kiev students and residents at the state university.

Kozyrev on U.S. 'Pressure' Over Iran Deal

LD1105170995 Moscow Mayak Radio Network in Russian 1530 GMT 11 May 95

[FBIS Translated Text] Russia's Foreign Minister Andrey Kozyrev regards as absolutely unjustified claims to the effect that at the summit in Moscow Russia has given in to U.S. pressure by abandoning the supply of centrifuges to Iran.

The fact that Russian-American relations have been put back on the correct path was one of the main results and achievements of the Moscow meeting between Presidents Boris Yeltsin and Bill Clinton, Kozyrev stated today in an interview to INTERFAX.

He said in the past few months in press commentaries there had been a growing sense that Moscow and Washington had somehow returned to the language of pressure, ultimatums, and the tit-for-tat principle. In fact Russian-American relations have withstood the test. The Moscow summit has shown that we are learning and have already learned to tackle jointly even the most difficult questions, Kozyrev said.

He said that as far as supplies of Russian equipment for the Iranian nuclear power station were concerned, essentially nothing new has happened. Russian President Boris Yeltsin confirmed our position which is in essence that Moscow, adhering to the principle of the nonproliferation of nuclear weapons, will not supply Iran or any other country with equipment that could be used for military purposes, the minister noted, stressing that as long as it is not proved to us that the light-water reactors Russia intends to supply to Iran do indeed represent some military danger, we shall not give up this contract. So far we have had no grounds to feel alarmed in connection with these reactors, Kozyrev remarked.

Lukin on U.S. Congress Resolution on Aid, Iran

LD1205112595 Moscow ITAR-TASS in English 1059 GMT 12 May 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW May 12 (Itar-Tass) — The foreign affairs committee of the U.S. House of Representatives recently has passed a resolution which relates U.S. aid to Russia to its dropping nuclear cooperation with Iran.

Chairman of the State Duma International Affairs Committee Vladimir Lukin said in an interview with Itar-

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Tass that the resolution was very useful for Russia as an information for analysis, but no more than that.

"The esteemed American congressmen have passed the resolution which is not very wise; to begin with, it's a recommending resolution, for this is a resolution of a committee, not of Congress, and so it does not entail any consequences," Lukin said.

Lukin said he thought the congressmen should have studied arithmetics better in their school years, for "the entire aid the U.S is giving to Russia totals 400 million dollars, while Russia's deal with Iran is estimated at one billion dollars".

The parliamentary committee chairman said Russia's motivation not to have nuclear states among its neighbours, who are fairly far from the U.S., is greater than the U.S.

Russia was and should be guided by international agreements rather than instructions from the U.S. legislature, Lukin said.

He stressed that the International Atomic Energy Agency did not see any signs that Russia was to supply "a really dangerous technology" to Iran.

Zhirinovskiy on U.S. 'Pressure' on Iran Deal

BR1105130895 Milan IL GIORNALE in Italian 11 May 95 p 15

[Report on interview with Vladimir Zhirinovskiy, Russian Liberal Democratic Party leader, by Svetlana Kharlamova in Moscow; date not given: "Zhirinovskiy Attacks: 'Bill Go Home'"]

[FBIS Translated Text] "One out of four Russians voted for us at the last parliamentary elections in 1993. We represent the interests of 13 million people. The current government cannot keep us from playing a part in decisionmaking. It must consider our point of view." Vladimir Zhirinovskiy, controversial leader of the extremist nationalist party, is well known for not mincing his words. He rebuts his opponents' attacks blow by blow. He has just emerged victorious in the court case against Yegor Gaydar, the former prime minister and now leader of the democratic movement, "Russia's Choice," who took the liberty of dubbing him "Russia's fascist."

Yesterday, while Bill Clinton and Boris Yeltsin were still discussing the question of the Russian nuclear contract with Iran and the possible enlargement of NATO, he did not hesitate to tell IL GIORNALE that he was totally opposed to what he calls "U.S. interference in the country's domestic affairs." "We have bilateral relations with Iran and nobody can come here and tell us what we should do," Zhirinovskiy said. "I say that the Americans are imposing the same diktat they did with regard to the contract with India, whereas we must follow our own interests. That is why our party feels that this kind of pressure is unacceptable. The contract with Iran, in particular, entails no danger: First of all, Russia would have no interest in having a nuclear power on its doorstep. It would be absurd for us to encourage the creation of a potential risk of war in the south. From the economic point of view, however, this contract is very advantageous."

The neonationalist leader criticized Yeltsin's entire foreign policy. "Russian citizens would be better off if we had normal relations with Iran, India, Iraq, Libya, Yugoslavia, Mongolia, and Afghanistan," he told IL GIORNALE. "Yet we have destroyed these relations. They are all countries prepared to pay us and to pay off their debts, while we are indebting ourselves with the West. Anyway, there are nuclear power plants everywhere. These days every nation generates electricity from nuclear energy. Why should Iran not do it? The question must be framed in these terms. It has nothing to do with nuclear arms."

Vladimir Zhirinovskiy, who has already been to Tehran several times on official and unofficial visits, did not conceal his firm intention to defend the contract by any means. And that is not all. The leader of the Russian xenophobes also thinks it would be a serious mistake if Russia were to give the West an affirmative answer on the NATO enlargement issue. "Yeltsin and his aides can see their impending fall and are trying, in this way, to ensure Clinton's support. However, the U.S. President will not back them; indeed it is very much in his interests for them to go. In fact he will soon be forced to explain why for almost five years [as published] he has been supplying American dollars to the Russian regime, a regime which has only criminal results to its credit.

Today Zhirinovskiy will make a statement on these issues. There are signs of a tough battle in parliament. To begin with, Atomic Energy Minister Mikhaylov and Foreign Minister Kozyrev will have to explain to the deputies why Russia is constantly making "concessions that are harmful to national interests."

Moscow 'To Leave No Loophole' for Nuclear Spread

LD1105143295 Moscow INTERFAX in English 1712 GMT 10 May 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] At the moment nearly 180 Russian experts study the status of the Bushehr station

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whose construction was started by West German companies.

A contract on construction of a 1,880 MW nuclear power station in Bushehr was signed last January. Under the deal, power unit 1 will be installed, debugged and started before the year 2000. The capacity of power unit 1 will be 1,000 MW, of units 3 and 4,440 MW each and of unit 2 has not been defined. The German Siemens/Kraftwerke Union started the construction of the first two units in 1975 but the West German government called off the construction in 1979. The Iranian government asked the Russian Nuclear Power Ministry to bring the project to a completion.

The German company has had the construction of a power unit 80% to 90% complete. Russia will supply most of the equipment, in particular the reactors and turbines.

Talks between the Russian and U.S. delegations started in the Kremlin Wednesday afternoon.

The political aspects are discussed by a team headed by Foreign Minister Andrey Kozyrev. The team includes Oleg Lobov, secretary of the National Security Council, and Pavel Grachev, defense minister. The U.S. team is headed by Secretary of State Warren Christopher.

A team headed by First Deputy Prime Minister Anatoliy Chubays and including Finance Minister Vladimir Panskov and Economy Minister Yevgeniy Yasin discusses economic cooperation.

Russia has drafted a package of documents on economic cooperation which would maintain the momentum of bilateral economic cooperation, Foreign Economic Relations Minister Oleg Davydov told Interfax.

He said it was important that the criticism leveled at Russia lately should not result in reduction of foreign investments. Davydov hoped that as a result the Clinton visit the U.S. will continue the support of political reform in Russia, work for restructuring of the Russian foreign debt and help Russia in joining the World Trade Organization.

He said that Iran is Russia's neighbor and Russia has to cooperate with it. Davydov did not think it is in Russia's interests to have another unfriendly neighbor in the vicinity of its southern border.

He denied press reports that a U.S. official had brought an Iranian blueprint on development of nuclear weapons. In Davydov's words, it was rather an analytical report which shows that Iran wants to be closer to development of nuclear weapons.

A senior official in the Russian Foreign Ministry told Interfax that there was no convincing proof that the Russian light water reactors for an Iranian nuclear power station threaten anybody. He said that the competent Russian agencies in charge of nuclear nonproliferation have the deal under their firm control and that Moscow is determined to leave no loophole for proliferation of nuclear weapons.

The official believed that because it was open for every kind of inspection Iran had no military nuclear program.

Official on Nuclear Cooperation With Iran

LD1105172495 Moscow INTERFAX in English 1544 GMT 11 May 95

[FBIS Transcribed Text] MOSCOW, May 11 (Interfax) — Russia "hadn't, hasn't and won't have" any state programs of cooperation with Iran in the nuclear field which "could bring this country to another military level," First Deputy Director of the Security and Disarmament Department under Russia's Foreign Ministry Mikhail Kokeyev declared at a briefing in Moscow Thursday.

In his words, Moscow believes that there are intergovernmental, state obligations which entirely correspond to international norms. "We shall fulfill these obligations," the diplomat underlined.

However, as Kokeyev said, "there are several departmental developments which admit dual utilization of technologies handed over to Iran." He explained that the matter concerns "not obligations but only intentions of separate departments."

"Under the present situation the strive of different Russian departments to attract funds from the outside in order to improve their situation is quite understandable," the diplomat said.

He reported that at the negotiations in Moscow Wednesday Russian and American Presidents Boris Yeltsin and Bill Clinton "agreed to more precisely control this sphere not only on the inter-state but on the inter-departmental level as well."

Plan To Sell Uranium-Enriching Gas to Iran Denied

LD1205135895 Moscow INTERFAX in English 1330 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — Russia has never agreed to sell uranium-enriching gas centrifuges to Iran or even discussed the question with Tehran, Deputy Russian Atomic Energy Minister Viktor Sidorenko told Interfax Friday.

He denied having any idea of what was meant by Russia's statement to abandon plans to sell dual-purpose nuclear equipment to Iran. Sidorenko reiterated that

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there were no negotiation going on to this end with Tehran.

He said the Iranian project covered only "the problems of building a peaceful nuclear power station and nothing more."

New Arms Sale Deal With Iran 'Quite Likely'

MK1205085795 Moscow NEZAVISIMAYA GAZETA in Russian 12 May 95 p 2

[Report by Igor Korotchenko under the "Details" rubric: "A Quite Likely Deal. Iran Shows Interest in Russian Arms"]

[FBIS Translated Text] Following the contract to deliver nuclear reactors for nuclear power stations in Bushehr, Russia could conclude another multimillion [currency not specified] deal with Iran. This concerns the sale of modern armament systems and military equipment, which Tehran requires to upgrade the fighting strength of the regular army and the Islamic Revolutionary Guards corps. Given the increasing pressure from the United States, the Iranian leadership is attaching primary importance to this problem.

Iran has substantial military forces, the bulk of them stationed along the border with Iraq. A considerable number of troops is located in the Tehran area or in its close proximity to it. The ground forces consist of 12 divisions, six individual brigades, and two army air force brigades. Their offensive and fire capabilities do not fully meet the demands of modern combined-arms warfare. What was inherited from the shah's regime is mainly U.S.-made equipment, the majority of which was put out of action during the Iranian-Iraqi war. The field air defense system, covering ground troops on the march and in battle, has been assessed by experts as unsatisfactory. The electronic warfare capacity is also rather low. There is a shortage of modern communications equipment and automated tactical control systems.

According to available information, Iran intends as early as in 1996 to create an installation-oriented air defense system around Tehran and the Bushehr nuclear power station. This is prompted by the fear that, at any time, sea-based Tomahawk cruise missiles from U.S. Navy ships in the Persian Gulf can strike nuclear infrastructure and military control bodies.

The Iranian leadership is ready to allot considerable funds to upgrade its armed forces, and it considers Russia a potential partner in military technical cooperation. S-300-PMU-1 surface-to-air missile systems, "Tunguska" anti-aircraft complexes, project-12318 missile launchers, and project 1265-E base trawlers [as published] can be purchased. The Iranian Navy would like to receive modern hydroacoustic equipment to track the U.S. Navy's multipurpose nuclear submarines, which visit the Persian Gulf from time to time.

It is unclear yet whether Moscow will agree to enhance its military deliveries: one can easily predict the reaction of the United States, which greatly overreacted to Tehran's having received modern "Kilo"-type diesel-powered submarines. The cool relations between the two great powers and the absence of hard currency reserves in the Russian Federation, however, make the new Russian-Iranian deal quite likely.

Competition Said Behind U.S. Opposing Reactor

LD1105202095 Moscow ITAR-TASS in English 1946 GMT 11 May 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW May 11 (Itar-Tass) — The tough competition in the nuclear technology market motivates U.S. efforts to derail the contract under which Russia is to export light water reactors for the nuclear power plant constructed by Iran, Itar-Tass was told by Anton Surikov, an adviser for the Institute for Defence Studies.

Surikov said these efforts were especially notable before and during the recent Moscow meeting of the Russian and American presidents.

According to Surikov, the contract harbours no danger of manufacturing of nuclear weapons by Iran and pursues only peaceful ends.

This is the view of Russian experts and the International Atomic Energy Agency, a specialised body of the U.N., Surikov said.

Moreover, the experts said, the Russian-produced reactors are identical to South Korean ones which the United States is trying to impose on North Korea as safer installations from the perspective of the nuclear non-proliferation treaty.

Surikov said the United States has two arguments against the Russian-Iranian contract.

The first is that Iran does not need the nuclear power plant, with its abundant oil and gas stores.

The second argument claims that Iran's work with Russian experts and technologies may provide a scientific basis for its allegedly continuing efforts to manufacture nuclear weapons.

The former argument is very fragile, the expert said. The United States has substantial oil resources, but prefers to

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save them, developing the nuclear sector and importing fuel.

Besides, operating the light water reactors and manufacturing the nuclear weapons are radically different areas of science and technology. Their mixing is obviously forced, Surikov argued.

He said Iran might as well be accused of seeking to create military missiles if it showed interest in space studies, Surikov said.

In addition, Russia has an instructive experience with the export of its cryogenic engines to India. That civilian programme was also painted by the United States as a military effort. Seeing the Russian government caving in to the pressure, the United States rapidly offered similar contracts to Delhi.

"That said, the arguments of the United States appear to be dictated by considerations of commercial competition, and this should be remembered as Russia considers its further policy of implementing the contract with Iran," Surikov said.

Russia To Supply Light-Water Reactors to PRC

LD1105131595 Moscow ITAR-TASS in English 1213 GMT 11 May 95

[By Andrey Kirillov]

[FBIS Transcribed Text] MOSCOW May 11 (Itar-Tass) — Two light-water reactors that Russia will supply to China before the end of the century will be assembled by Russian experts and their maintenance, at least at the initial stage, will be under Russian experts' control. Russia intends to supply to China VVER-1000 water-water [as received] reactors with a capacity of one million kilowatts each, Itar-Tass learned from a spokesman of the Russian Ministry for Nuclear Energy on Thursday. The principled decision on the deliveries has already been taken, the spokesman said.

The Chinese side plans to install these reactors at China's third nuclear power station to be built in the North-Eastern province of Liaoning, near the city of Wafangdian.

In addition to credits provided by the Russian government, funds for the construction of the nuclear power plant will be invested by the Chinese corporation for atomic energy, the government of the Liaoning province and the corporation of energetics of North-East (China). According to the Chinese estimate, the total sum of investment will be 27 billion yuan.

The Russian side assumes the task of assembling technical equipment at the nuclear power plant. Technical assistance will be given by the second design institutes of the Chinese corporation for atomic energy and the North-Eastern design energy institute. The two Russian reactors are planned to be assembled at a first stage of the construction. The Liaoning nuclear power plant is planned to be put into operation after the year 2000.

China proposes to repay the Russian credit partially with deliveries of goods and raw materials. Details of the contract are being actively discussed in Moscow and Beijing, Itar-Tass learned.

Two operating Chinese nuclear power plants, Qingshan and Daya Wan, built in cooperation with French firms have the total capacity of 2.1 million kilowatts. By the year 2020 China plans to bring the total capacity of its nuclear power stations to 20 million kilowatts.

DPRK Insists on Russian Nuclear Reactors

LD1205142295 Moscow ITAR-TASS in English 1335 GMT 12 May 95

[By Vladimir Suprun]

[FBIS Transcribed Text] MOSCOW May 12 (Itar-Tass) — North Korea's stand on the purchase of light-water reactors remains unchanged. The outcome of the negotiations between the DPRK and the United States on the problem depends on the approach on the U.S. side, Itar-Tass learnt from the North Korean embassy in Moscow on Friday.

Under the U.S.-North Korean framework agreement concluded in Geneva in October last, the sides pledged themselves to conclude a contract before April 21, 1995 on the delivery of two light-water reactors to the DPRK in the framework to the reorientation of Pyongyang's nuclear programme. Three rounds of the negotiations have been held in Berlin since that time. The latest round was broken off on April 18 as North Korean representatives refused to discuss the U.S. proposal for deliveries of equipment of South Korean makes.

North Korea refused to agree to this version mainly for the reason that South Korean reactors so far exist only on blueprints and it is yet unknown whether their technical parameters will meet stringent safety standards.

North Korea openly stated more than once, also at the negotiations with the U.S., that it is interested in getting Russian reactors. Pyongyang regards this choice as logical as the two countries have accumulated considerable experience in cooperation in nuclear power. This would help slash considerably the costs estimated at 4.5 billion dollars.

The disruption of the negotiations in Berlin means that after April 21 North Korea had formal ground for

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resuming of operation of its nuclear facilities mothballs under the Geneva agreement.

However, as North Korean ambassador to Moscow Son Sung-pil told Itar-Tass, Pyongyang after thoroughly studying the circumstances and possible consequences of the termination of the negotiating process showed goodwill and decided to resume the talks. "We shall now elucidate the U.S. intention to observe the terms of the framework agreement", he said. The ambassador said the sides are engaged in intensive consultations about the venue and the timeframe of another round of the talks.

Outcome of NPT Extension Talks Welcomed

MM1205092795 Moscow IZVESTIYA in Russian 12 May 95 p 3

[Report by Aleksandr Sychev: "Five Nuclear Powers Will Remain, But Only Until They Have Disarmed"]

[FBIS Translated Text] The Conference on the Extension of the Nuclear Nonproliferation Treaty has been successful. Documents have been formulated which do not contain inordinate pledges (so as to give no one cause to accuse the five official nuclear powers of failing to implement them), but at the same time the great powers have succeeded in winning support for the indefinite extension of the treaty from countries that are unhappy with the results of the nonproliferation regime's 25-year existence.

The treaty, over which there have been plenty of tough diplomatic battles at UN headquarters over the past month, was formulated in 1968 and came into force in 1970. Then it was signed by just over 30 countries. Today, the 2,400-word document bears 178 signatures and is considered the basis of the international law regulating problems of limiting the nuclear arms race and disarmament.

The treaty legalizes as it were the existence of just five nuclear states, which are obliged to work towards total disarmament. The other countries renounce plans to produce or acquire nuclear weapons by other means, in return for which the "big five" must promote the development of peaceful atomic energy there.

The lack of agreement in the assessments of the nonproliferation regime inspired severe misgivings that it would not be possible to preserve the treaty in the international legal system. Its successes and failures are obvious. Although dozens of countries now have their own nuclear electric power stations, some, including Iran, have been denied that right. Over the last 25 years the Republic of South Africa has secretly tested nuclear weapons but abandoned its plans to admit them to its arsenal and acceded to the nonproliferation regime.

At the same time Israel, India, and Pakistan in all probability have nuclear weapons and, furthermore, refuse to accede to the treaty. North Korea, a party to the Treaty, is evading inspection of all its nuclear facilities by International Atomic Energy Agency [IAEA] representatives. Over the last few days of the conference's work Pyongyang behaved simply provocatively by refusing to take part in the conference's work in protest at several lines of the report prepared by the conference committee, in which the IAEA was asked to check out Pyongyang's compliance with the agency's demands.

A group of countries whose ideological leader is Mexico accuses the members of the "nuclear club" of being passive when it comes to disarmament and of wanting to enshrine forever the existing nuclear disparity and the diktat in international affairs based on it.

There is undoubtedly a grain of truth in this — the formal equality of states proclaimed by the UN Charter has been upset. But we are also bound to recognize that without the treaty the world would have become a giant dump for nuclear weapons scattered across dozens of countries which do not always live in peace and harmony either with neighboring or indeed with comparatively remote states.

Probably not all parties to the talks are aware of what means were used to remove all possible objections to the indefinite extension of the treaty. It is no coincidence that at this time some Californian company began selling evidence of the reality of disarmament — new golf clubs manufactured using the metal from Russian SS-23 ballistic missiles.

The treaty had to be adopted on the basis of consensus without a vote in order to demonstrate the absence of confrontation and give no one reason to doubt the effectiveness of the agreement. When 14 Arab states led by Egypt and Algeria suddenly demanded that a separate appendix condemn Israel and demand that Tel Aviv immediately accede to the treaty, Washington forced them into obedience.

The result of the conference's month of work cannot be overestimated. An increase in the number of official nuclear powers will never be deemed lawful, and consequently any attempts to change the status quo will be quite rightfully suppressed. Another great success was the fact that the nuclear powers reaffirmed their readiness to strive for the total elimination of nuclear weapons and conclude a treaty on the total banning of nuclear tests next year, to embark on talks on suspending the production of the fissionable materials

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used to develop nuclear weapons, and also to formulate a system of security guarantees for nonnuclear countries. And the successful progress made by the parties to the treaty toward the conference's stated objectives will be assessed at annual meetings.

Lukin 'Warning' on NATO Expansion Eastward

MM1105162195 Moscow IZVESTIYA in Russian 12 May 95 p 3

[Article by Vladimir Lukin, chairman of the State Duma International Affairs Committee: "What Is Being Built in Europe: a New House or an Old Fence?"]

[FBIS Translated Text] In the broad historical context the thrust of the turbulent East European events of 1989-1991 lay in the civilized reunification of the eastern and western halves of Europe. This was precisely the ideal which inspired the Russian democrats, who paid an enormous price (seen by "real politicians" as an excessive price) for it. The currently perceptible isolation of the west and center of Europe from its eastern, ex-Soviet, part is dealing a powerful blow to the radical ideals of Russian democracy with all the ensuing consequences for both Russia and Europe as a whole.

No matter what the arguments of the supporters of NATO expansion, for the mass of the Russian population its crux is pretty clear: The West reacted to the disbandment of the Warsaw Pact Organization and the scrapping of the USSR and its eastern machine not by really cutting and retargeting its military might but, on the contrary, by consolidating it and primitively grabbing Russia's former allies. The reaction of Russians in thousands of Russians towns and villages would be the same: We have been betrayed.

For Russian democracy the expansion of NATO will mean at least one definite thing: The West has lost faith in the normal, democratic development of Russia and is insuring itself with additional unilateral military-political measures.

I would like to warn my western colleagues: The West's simultaneous loss of faith in Russian democracy and witting or unwitting antagonization of the Russian population could cost them (the West) very dear.

If there is anything in which Russia was definitely European, if not world, champion it was stoicism, and yet another need to tighten her belt and face fate head-on would be nothing new for her. That is the way all previous generations of Russians have acted. Will the present generation be forced to do the same? Don't let Chechnya fool anyone; many people were similarly fooled by the war with Finland in 1939-1940.

So what happened at the turn of the decade must not be underestimated. Russia took the risk of disbanding its military alliance, which provided it with a "safety belt" in Europe, and took the step of reducing nuclear and conventional arms — on an indeed colossal scale. But the other side is not only not disbanding or radically transforming its military bloc but, on the contrary, is expanding it by admitting the former allies of the rapidly disarming side. And this after the agreements that the unification of Germany was conditional on the nonexpansion of NATO to the east.

The former Warsaw Pact allies' hasty turnabout also reflects the naivety of the neophytes of the new European landscape and — something which affects us more — the fantastic apathy of Russian diplomacy.

I have already had occasion to say that Eastern Europe is virtually a blank spot in Russian foreign policy. We talk about Eastern Europe with the Americans and the West Europeans, but we virtually never talk with the East Europeans. We seem to be uninterested by the new anxious strategic feelings of our former Warsaw Pact allies, born less of the new realities than of old fears which today are totally irrational.

In the final analysis it is impossible to change reality using phantoms like "Partnership for Peace." What is this thing? If the intention of this formula is to defer the East European Countries' affiliation to NATO, "Partnership" should be welcomed. If the intention is to anesthetize Russia for the period that its Eastern neighbors are being dragged into NATO, Russia's refusal to undergo such anesthesia should be clearly and definitely stated.

Implementation of the formulas under discussion in NATO circles is liable to not to strengthen peace in the East European region but, on the contrary, to blow it apart. Where would be the dividing line between the clean (Western) and unclean (Eastern) countries? Between Poland and Ukraine or between Ukraine and Russia? Near Uzhgorod or Smolesnk?

Can the West imagine our people's reaction to Smolensk again — 300 years on — being transformed into a border bastion of Russia? Can they see the possible anxiety, the despair, the new convulsions in the world outlook of Russians and all the eastern Slavs? Do they realize what political cataclysms this promises at the turn of the century?

Will it be better for the West to have a traumatized but still nuclear Russia again forced to withdraw into the steppes? A morally crushed but still heavily armed Russia convinced that it has little to lose?

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If the blind egoism of the shortsighted politicians to the west of our borders prevails we will resort to the means we still have in our hands. These are means of some kind of desperation, but effective nonetheless.

If NATO's expansion to the east takes on real shape Russia might conclude that previous bilateral and multilateral accords lose all point.

This applies, first, to the Strategic Arms Limitation Treaty (START II), which was worked out and signed in a completely different psychological atmosphere. If a military bloc in our geographic regions moves threateningly close to our borders, the cheapest thing for us (in material terms) would be to leave an additional number of nuclear warheads on combat standby.

Second, the treaty on the reduction of conventional arms would be completely senseless for Russia. We signed it when we had Europe's biggest conventional arms potential and were opposing the West from the Transcaucasus to beyond the Arctic Circle. Is any greater proof of our peaceableness needed than the decision to scrap 60,000 tanks? But with NATO moving closer to our borders fulfillment of the agreement, which was signed in a completely different geopolitical situation, is called into question.

We want all-European security. But if we are refused room there we will have to worry about our own security and agree our actions with those neighbors whom, like us, it is not intended to invited to "their lordships' table." Not the best option, but it is the minimum necessary if the best option proves impossible.

Let the West choose the way it is going to behave in Europe. We are told: You do not have the right of veto over NATO decisions. Legally speaking this is perfectly true. Politically speaking it is very reminiscent of a kick with which an attempt is being made to kick Russia like a puppy out of the door of a room where questions of all-European security for the strategic future are being discussed. This kind of kick can trip you up yourself. It is therefore better to switch to serious dialogue which would simply exclude the word "veto" on either side. I hope that the one-on-one conversation between the Russian and American presidents in Moscow was precisely like that.

Yet instead of politely but consistently insisting on precisely this kind of dialogue about a mutually comfortable all-European security system, our diplomacy is again starting to mutter something about the "new NATO" which might apparently expand to the east instead of the "old NATO."

I recall a joke from the stagnation period: A man runs into a hospital and demands to be taken to an "ear and eye" doctor. After a certain amount of confusion he is taken to the chief physician. He asks him to describe the his symptoms. The patient answers: You see, doctor, I'm forever seeing one thing and hearing another. Like that patient, I see primarily a powerful military machine historically targeted on the East and currently moving toward our borders as we retreat eastward — and we have already retreated approximately 1,000 kilometers.

If anybody wants to settle comfortably in the region of Smolensk and Riga to the accompaniment of sweet words, we simply cannot pretend that nothing in particular is happening. In the final analysis we have saved the West twice this century — in 1914-1917 and 1941-1945 — in the first instance by taking the pressure off the western front and in the second by fighting along for three decisive years.

I would very much like for this warning to be heeded at the very time we are marking the 50th anniversary of the end of World War II. The Yalta peace was flawed and unjust to many people, but it at least proved effective — Europe has lived for approximately half a century without wars.

The Yalta world order has receded into history. A new one has still not been created. We are confronted by the most difficult task of building a new Euro-Atlantic-Asian world order for the first half of the 21st century. Everyone must feel secure in the new European home. France, and Germany, and Poland, and the Czech Republic, and Ukraine, and — not least — Russia. Otherwise it will be rapidly blown apart.

Polish Premier Urges 'Dialogue' on NATO

MM1105161095 Moscow IZVESTIYA in Russian 12 May 95 p 3

[Interview with Polish Prime Minister Jozef Oleksy by IZVESTIYA observer Konstantin Eggert in Moscow; date not given: "Warsaw Is Prepared to Resume Military-Technical Ties With Moscow" — first paragraph is introduction]

[FBIS Translated Text] The Polish delegation at the Moscow ceremonies marking the 50th anniversary of the Victory differed from the others in that it formally had two leaders: the head of the Cabinet of Ministers, and also State Counselor Andrzej Zakrzewski, President Lech Walesa's personal representative. IZVESTIYA has written about the differences of opinion between the president and the government over who should go to Moscow and why. The premier reacted calmly to the question "What is the reason for the inflamed passions in Warsaw?" with which our conversation began in the winter garden of Moscow's "President-Hotel."

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[Oleksy] This is strictly an internal matter. What has happened should not be seen as having any bearing on Poles' attitude to Russia. We honor the holiday of the Victory over fascism, just as we honor all those who fought it or fell victim to it.

At the same time Poles cannot erase from their memory the German- Soviet aggression in September 1939, Katyn, or Stalinism. For those of our compatriots who languished in the Lubyanka on Victory Day, it was scarcely a holiday. We are making no claims against Russia; we are trying to make our relations friendly. But they will be strong and sincere if they are built on the truth.

Essentially, Poland was one of the victorious countries. It had raised an army of 600,000 men. There were three flags in Berlin in May 1945 — white, the symbol of German capitulation, red — the Soviet flag, and the red and white Polish flag. The VIPs have forgotten about this, as the ceremonies in Moscow have reaffirmed yet again; only President Yeltsin mentioned Poland once, and that was in passing. To a great extent, a particular view of history has now taken shape, and it appears that today's Europe prefers not to remember the contribution to the victory of 6 million Poles who perished during the war years.

[Eggert] Moscow is worried about the intention of East European countries, including Poland, to joint NATO. Is this aspiration not merely the result of the internal political situation?

[Oleksy] By no means. It is Poland's conscious choice, its sovereign right, and no one has the right to tell us what to do. But we do understand Russia's worries. Warsaw's position has always been unequivocal: A new Europe cannot be built without Russia, and furthermore its isolation would bring nothing good. Constant contacts at various levels between Russia and the bloc are necessary in order to resolve the complicated set of problems surrounding the expansion of NATO. Dialogue between Moscow and Warsaw is also needed. Dialogue, not haggling.

[Eggert] What are the main problems in bilateral economic ties today?

[Oleksy] Things are not that bad. In the sphere of trade, last year's dynamics were very positive. There are excellent prospects of cooperation via Kaliningrad Oblast.

As for problems, these include firstly the lack of financial mechanisms for the implementation of major joint projects. Second, there is the disparity in volume between the Polish and Russian capital markets. Third is the undeveloped state of the system for settling reciprocal accounts and the lack of joint banks. Finally, fourth, the communications system is not functioning very smoothly.

[Eggert] Is your country prepared to resume military-technical cooperation with Russia?

[Oleksy] Poland is interested in such cooperation. I spoke to Mr. Chernomyrdin about this subject during his recent visit to Warsaw. Now all we have to do is discuss individual thorny issues connected with certain technical indicators.

Admiral: NATO Pursuing 'Unfriendly' Policies

LD1105174695 Moscow NTV in Russian 1500 GMT 11 May 95

[FBIS Translated Excerpt] It appears that the U.S.'s dithering over such a sensitive issue for Russia as NATO's eastward expansion, which Bill Clinton recently demonstrated in Moscow, has provoked harsh statements by the Russian military.

Speaking of the ratio between Russian and NATO fleets, Northern Fleet commander Admiral Oleg Yerofeyev said that not only diesel vessels but also three to four nuclear multi-purpose submarines of the US, French, and British fleets are on a permanent patrol mission in the Barents Sea. Cruise missiles they carry onboard can reach hundreds of Russian cities and towns, including Moscow.

The admiral believes the presence of armed submarines in the Barents Sea is proof of unfriendly intentions and policies. Admiral Yerofeyev said such actions are a result of a conscious and consistent policy of NATO member-states.

Yerofeyev also said that despite the withdrawal of Russian troops from the western Europe, munitions dumps of a U.S. marines division have stayed in Norway, not declared for verification in line with the agreement. The admiral alleges that its subunits regularly take part in exercises on Norwegian territory. [passage omitted]

Russian-PRC Talks End; NATO Expansion Opposed

LD1205132195 Moscow ITAR-TASS in English 1304 GMT 12 May 95

[By Grigoriy Arslanov, Vyacheslav Tomilin]

[FBIS Transcribed Text] BEIJING, May 12 (Itar-Tass) — Russian-Chinese consultations at the level of deputy foreign ministers ended here today after calling against new division lines in Europe due to eastward expansion of NATO.

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In the opinion of consultations participants, the fulfilment of NATO plans would introduce a destabilization element in the military-political situation on the continent.

The consultations, held within the framework of bilateral summit agreements, for the first time ever discussed cooperation in training of diplomats. Deputy Russian Foreign Minister Sergey Krylov told Itar-Tass that China would like to send its students and young diplomats to the Russian diplomatic academy and the institute of foreign relations. It also wants to invite Russian professors to deliver lectures at Chinese specialized higher educational establishments. China is in short of experts after it opened embassies in former Soviet republics.

Krylov stressed good chances for mutually beneficial exchanges in that sphere and noted that the sides can cooperate in development of teaching methods.

Kozyrev Urges West To Work With Milosevic

LD1105185595 Moscow Voice of Russia World Service in English 1800 GMT 11 May 95

[FBIS Transcribed Text] Russian Foreign Minister Andrey Kozyrev has called on Russia's Western partners to find a means of interaction with Serb President Slobodan Milosevic in solving the Yugoslav problems. He was speaking in an interview released by the INTERFAX news agency on Thursday. Referring to an exchange of opinions with his American and German colleagues made during the Moscow celebrations of the 50th anniversary of the victory over Nazi Germany, Kozyrev said that in the next few days certain progress could be made in the work of the Contact Group and in its attitude toward sanctions against the Republic of Yugoslavia. Kozyrev did not rule out that a meeting of the Contact Group foreign ministers could take place shortly. He also described as absolutely unjustified the allegations that Moscow had yielded to the U.S. pressure on the issue of delivering equipment for Iran's nuclear power stations.

Kozyrev Supports Israeli Withdrawal From Golan

LD1105201995 Moscow ITAR-TASS World Service in Russian 1420 GMT 11 May 95

[By ITAR-TASS diplomatic correspondent Aleksandr Zhudro]

[FBIS Translated Text] Moscow, 11 May—As a cosponsor of the peace process in the Middle East, Russia "firmly insists in its contacts with all sides involved on the idea that the Israelis should be completely withdrawn from the Golan Heights they occupied in 1967, in the context of the final reconciliation between Syria and Israel." This was stated in a letter sent by Russian Federation Foreign Minister Andrey Kozyrev to 'Ismat 'Abd-al-Majid, secretary general of the Arab League.

Grigoriy Karasin, director of the department of press and information of Russia's Foreign Ministry, said today that 'Abd-al-Majid had sent a personal message to Kozyrev, in which he stated the position of the Arab League on the Golan Heights issue. In his reply, the Russian foreign minister said that "the approach of the Arab states and of Russia to the Golan issue coincides on the whole." He stressed that "our country was a coauthor of the Madrid formula of Middle East settlement on the basis of Resolutions 242 and 338 of the UN Security Council." It is for this reason, and in accordance with these legal principles, that Russia speaks in favor of a complete withdrawal of Israeli troops from the Golan Heights.

This exchange of letters is being regarded in Moscow as "a move toward implementing an agreement on stepping up political interaction between Russia and the Arab League," reached by Kozyrev and 'Abd-al-Majid in Cairo in March 1995, Karasin said.

Poisons Used in Tokyo Attack 'Not Made in Russia'

LD1205145095 Moscow ITAR-TASS in English 1427 GMT 12 May 95

[By Vladimir Solntsev]

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — Poisons used in the Tokyo gas attack of March 20 are not made in Russia. The more so, an investigation of the Russian competent bodies "has, to a certain degree, revealed signs of technologies characteristic of some developed nations," head of the Department for Supervision over Crime Investigation of the Russian Procurator General's Office Vladimir Kirakozov told a news conference here today.

Kirakozov refused to name the developed states in an Itar-Tass interview but said that the Procurator General's Office does have information to the effect. Asked about the information sources, Kirakozov stressed that all legitimate means of information obtainment can be used in this criminal case. "We are using this right and have certain information obtained in a legitimate way by our secret services," said Kirakozov. In his words, the investigation included an expert analysis of poisons' technology.

The Japanese religious sect of Aum Shinrikyo is being suspected of organizing the gas attack in Tokyo. The sect was active in Russia since 1992. On February 21, 1995, the Russian Procurator General's Office instituted

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criminal proceedings against organizers of the Russian branch of the sect and the Moscow religious association of the Aum Truth Teaching on the basis of several articles of the Russian Criminal Code. The articles concern the associations encroaching on personality and property of citizens, torture and material damage inflicted with fraud or abuse of confidence.

The investigators are verifying media reports on the so-called Russian trace, including possible leakage of a production technology of combat poisons from Russia to Japan.

According to Kirakozov, the Russian investigation bodies do not have information on Aum Shinrikyo purchases of armaments in Russia, same as on leakage of combat poisons, corresponding raw materials or production technologies from Russia. At the same time, additional measures are being taken to finalize the investigation and the whole range of persons that may be involved in the issue is being examined.

In the words of the official, the investigation of the Russian trace by the Russian Procurator General's Office was started after press reports and was done exclusively on the initiative of Moscow. An official request of the Japanese side has not been sent to the Russian law-enforcement bodies. Japan has not given Moscow information about possible leakage of poisons or their production technologies.

The Procurator General's Office has decided to make an official inquiry to Japan through diplomatic channels, bearing in mind the two states do not have an agreement on legal assistance, and find out the official Japanese stand on the issue.

The investigation included interrogation of several dozens of witnesses, searches of the facilities rented by the Aum and several other examinations. Over 100 instructions on the interrogation of sect members — non-residents of the Russian — capital have been given. [punctuation as received] The investigation is carried out with the assistance of the Federal Security Service and the Foreign Intelligence Service.

According to Kirakozov, the investigation into possible Russian involvement in production of the poisons is nearing completion. As for the investigation into illegal activities of the Russian branch of Aum Shinrikyo and the Moscow religious association of the Aum Truth Teaching, it will go on.

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Political Issues

'Russia Is Our Home' Party Holds Congress

Founding Congress Previewed

MK1205105095 Moscow NEZAVISIMAYA GAZETA in Russian 12 May 95 p 1

[Report by Yevgeniy Krasnikov and Ivan Rodin under the "Authority" rubric: "Congress of Party Born of the Government Opens in Moscow. The Nomenklatura Will Publicly Discuss How To Stay on at the Top and Keep Property in Their Hands"]

[FBIS Translated Text] Most of Russia's chiefs will spend the first half of today in the Kinotsentr [Cinema Center] on Krasnaya Presnya, where a founding congress will take place for the "Russia Is Our Home" movement. As was announced at yesterday's sitting of the Russian Government by Prime Minister Victor Chernomyrdin — the soul and locomotive of the new organization — 308 delegates with the right to cast votes will be taking part in the congress' deliberations. There will also be some 200 guests on hand, some of whom may in the future join the newly organized "party of power," as it is acceptable to call it now.

The very close connection between the incipient movement and the Russian executive branch is visible to the naked eye, as they say. It is no secret that a considerable number of the delegates will be staffers of regional administrations and presidential missions. It is also known that, in many cases, the addresses of regional administrations will be considered the legal addresses of the movement's branches. It is expected that the buildings of these same administrations will be made available to the movement for the election campaign.

It still remains not quite clear how close the link between the "party of power" and the state budget will be. The State Duma has forwarded a request to the government to find out whose money will be used to hold the congress and how much it is going to cost. According to information NEZAVISIMAYA GAZETA has, the congress will cost its organizers 860 million rubles [R]. According to preliminary information, "Gazprom" has decided to commit R5 billion to the election campaign. The monthly election tax affecting various banks having a hand in the organizational development of the [new] party will amount to R0.5 to R1 billion.

The general pattern of the congress is known in principle. It will obviously open with Viktor Chernomyrdin's conceptual address, which is incidentally to form the basis of the congress' main document — a programmatic statement of principles, goals, and tasks of the new nomenklatura movement. Much space in the premier's speech will be devoted to the Chechen problem. Mr. Chernomyrdin is expected to state that he has always advocated its amicable settlement and he will possibly suggest that the moratorium be extended for another three months. Curiously, one cannot expect a full-weight program emerging from this congress because it is not ready yet. The program is expected to be passed finally at the next congress (approximately in June) which will also approve the election list. It is expected to include representatives of financial and industrial groupings subsidizing the party plans, government members, as well as Sergey Filatov, who is in charge of this undertaking on the president's side. In the meantime, a complex procedure of agreeing on candidates is taking place. According to some information, a number of administration heads have spoken categorically against putting Anatoliy Chubays on the list ("He will cost us 15 percent of the votes"). Furthermore, the inclusion of Defense Minister Pavel Grachev on the list is highly debatable, because he is known to be regarded in different ways by society and the army.

However, the "Russia Is Our Home" movement is going to focus on elections in one-candidate districts. There is information to the effect that each administration head and the president are supposed to propose their own three or four possible candidates. Incidentally, they are not at all supposed to be a region's foremost personages, but simply members of its executive structures or either major financiers or industrialists.

It was planned to pass several resolutions on the new movement: on the general political situation, on Chechnya, on social security for veterans, and on the deepening of integration tendencies in the CIS; but there will evidently not be the latter two documents after all. According to some information, the charter of the "Russia Is Our Home" movement will call for the creation of a rigidly structured organization, something Sergey Shakhray's party has been unsuccessfully opposing. There seems to be no plans for special discussions at the congress, which is confirmed by the time reserved for it between 1000 and 1400.

According to information available to NEZAVISIMAYA GAZETA, presidential Chief of Staff Sergey Filatov was trying the other day to persuade Boris Yeltsin to honor the congress with his presence. However, the whole thing is likely to become limited to reading out a presidential message [naputstviye] (its text, the size of two pages, is now ready).

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Congress Opens in Moscow 12 May

LD1205111595 Moscow INTERFAX in English 0950 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — Member of the Organizing Committee of the "Our Home-Russia" movement, President of North Ossetia Akhsarbek Galazov told the constituent congress of this movement in Moscow Friday that the members of this newly-established election bloc should not be ashamed of being part of "the party of power," as its opponents have dubbed it, because there is nothing shameful in establishing a party of power.

He said that this movement is capable of leading the country out of the crisis and ensuring its stable development.

Mayor of St. Petersburg Anatoliy Sobchak said that the movement was to accomplish a double task of saving the country from left-wing and right-wing extremism. He proposed the motto "Tranquil Life and Normal Work" for this movement.

He also said that neither the heads of administrations nor managers of industrial enterprises can solve the problems facing this public movement. "This will happen only after our movement secures support from broad sections of the population," he said. He also expressed the hope that the new movement would unite the democratic and reform-oriented forces capable of solving these problems.

Leader of the State Duma's Stability faction Aleksey Leushkin, who is also a member of the Organizing Committee, said that the main task facing the movement was to secure as many seats as possible in the Federal Assembly. In his opinion, all branches of authority will work efficiently only if they work as "one team."

State Duma Chairman Ivan Rybkin sent a message of greeting to the congress. He expressed the hope that the movement "Our Home-Russia" will ensure the development of a law-based state and civil society, and lead Russia to prosperity.

A political statement is expected to become the main final document of the congress. According to Interfax sources, the draft political statement says that the movement's political priorities are the strengthening of the Russian state, the creation of a system of efficient interaction, strong state authority and a well-developed system of self-government. The movement will also work to enhance law and order and combat crime and corruption.

According to the draft, the movement will work to ensure financial stabilization and economic development in 1995. It will support Russian manufacturers, promote agrarian reform and regulate relations of land ownership.

In the area of social policy, the movement will unite the efforts of the state, manufacturers and businesspeople for job creation, the preservation of the unique research personnel and the development of industry, culture and education, and make state support for the population more effective and protect low-income groups.

The congress is to adopt the movement's charter envisaging both individual and collective membership.

The draft charter says that the congress is the movement's leading body. It shall be convened when necessary, but at least once in two years. The next congress will be held in June-July. It is expected to adopt the movement's election program and draw a list of candidates to the Federal Assembly.

Chernomyrdin Elected Leader of Bloc

LD1205095595 Moscow ITAR-TASS World Service in Russian 0917 GMT 12 May 95

[By ITAR-TASS correspondents Lyudmila Aleksandrova and Gennadiy Yezhov]

[FBIS Translated Text] Moscow, 12 May (ITAR-TASS) — The founding congress of the "Russia Is Our Home" movement which met today unanimously elected Prime Minister Viktor Chernomyrdin as leader of the bloc.

First Deputy Prime Minister Oleg Soskovets and Konstantin Titov, head of the administration of Samara Region, were unanimously elected deputy leaders.

Chernomyrdin Addresses Opening Congress

LD1205114895 Moscow INTERFAX in English 0950 GMT 12 May 95

[FBIS Transcribed Text] MOSCOW, May 12 (Interfax) — Prime Minister Viktor Chernomyrdin, leader of the All-Russia public movement "Our Home-Russia," has declared that the key goal of the electoral alliance now in the making is to guarantee stability in society and revive among Russians the dignity of and respect for their homeland, Russia.

Addressing the opening congress of the new movement in Moscow Friday, Chernomyrdin stressed that since there was nothing more important to his alliance than "dignity, honor, and duty, its participants regard themselves as patriots of their homeland, no matter how hard all kinds of extremists have tried to prove" their patriotism.

Chernomyrdin also wished that the state would play a greater role in economic and social affairs.

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He stressed that his movement was rallying together those who do not want new upheavals and who have become tired of lies. In his opinion, "the country is now proceeding from the romanticism of early democracy to pragmatic democracy with all its diverse currents and problems." "The worst times are over, and we are scrambling out of the crisis," Chernomyrdin claimed.

Under these conditions, he stressed, the movement is going to rely above all on "the common man, who has got tired of all the misfortunes," quite often distrusts the authorities and fears crime. No wonder, Chernomyrdin explained, the alliance desires that "everyone in Russia could say "my house is my castle."

Among the movement's top-priority tasks, the Prime Minister named the fight against crime. However, he explained that there were already enough laws, material and other means to "tame rampant crime." For that, in his opinion, it is necessary to sufficiently finance law enforcement and interior agencies and pay good wages to law enforcement officers.

Chernomyrdin also spoke in favour of sensible military reform, noting that "the honor and dignity of the army are inseparable from those of Russia", and wishing that servicemen be worthily rewarded for their work and the army professions become more prestigious.

He revealed that at its next convention the alliance would work out an election platform and draw up voting lists. He said that the task for the next 2-3 months was to set up local branches and conduct vigorous canvassing. Chernomyrdin urged his bloc colleagues to remain cool in the face of possible criticism and attacks from various political forces. "We will be suspected of all deadly sins, from revenge by the nomenklatura to a threat to undermine democracy," Chernomyrdin remarked. At the same time, he emphasized that in these conditions the executive branch cannot be aloof from political struggle. "If it evades the forthcoming elections to the State Duma and the Federal Assembly, chances for stability will significantly diminish in the country," Chernomyrdin declared. He called on all "serious people, professionals who can and know how to reconstruct Russia and how to improve life in the country" to join the movement.

Russian Agrarian Party Not To Join Election Blocs

LD1105152795 Moscow ITAR-TASS in English 1354 GMT 11 May 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW May 11 (Itar-Tass) — The elections of Russian President and of the State Duma will be held strictly within the time limits specified by the Russian constitution. Boris Yeltsin guaranteed this to Bill Clinton.

The American President told about these guarantees to Russian political leaders with whom he met on Thursday morning. Leader of the Russian Agrarian party Mikhail Lapshin was among them. He told a press conference in the Duma about the presidential guarantees.

The news conference was devoted to the preparation for the parliamentary election. The Russian Agrarian Party does not intend to be dissolved in some election bloc. It will participate in the election as an independent political force ready for cooperation with other organisations of similar orientation. This conclusion followed from Lapshin's statement.

"We shall not be marching as an amorphous mass under banners of others. We shall participate in the parliamentary elections as a unified election association 'the Agrarian Party of Russia'" he said.

Since there was much talk about the setting up of "Chernomyrdin bloc" and "Rybkin bloc", Lapshin noted that Rybkin, the Speaker of the State Duma, who is member of the Board of the Agrarian Party, signed on May 8 the statement on the forming of the election association "the Agrarian Party of Russia" headed by Lapshin.

Lapshin believes that as a member of the association Rybkin can draw on his political authority to attract to the election association "Agrarian Party of Russia" various political forces that are ready to cooperate with agrarians.

Centrist Blocs Seek To Keep Regime in Power

MM1105142795 Moscow SOVETSKAYA ROSSIYA in Russian 11 May 95 p 3

[Article by Leonid Velikodnyy: "Snake-in-the-Grass Policy. Tomorrow Chernomyrdin Convenes a Congress. A Reader's Analysis"]

[FBIS Translated Text] The authorities have announced the intention to create two political election blocs of the ruling forces: Viktor Chernomyrdin's on the right, and Ivan Rybkin's on the left. The political platform has not yet been declared, but is perfectly obvious. Yeltsin's course and the present government's program are well known, and whatever declarations may be made, the essence of the ruling policy will remain the same: **a pro-Western capitalist path of development for the country, the destruction of what remains of the working people's gains, and the establishment of the dominance of capital over labor.**

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The pre-election rallying of right-wing forces under the president's auspices is taking place not in order to slow down the course of the usurpers' reforms toward the capitalization of the country, but in order to ensure that there is no deviation from the course set in face of the onslaught of a people marching on the authorities. In order to maintain that course, the people must once again be deceived.

These blocs, according to Ivan Rybkin, have been in preparation for a long time. In preparation behind the scenes, without publicity. And now at last the new deal among right-wing antipopular forces has been openly announced.

Premier Casts Off the Mask

It is not long since Russian Prime Minister Viktor Chernomyrdin was urging: "We have had enough of engaging in politics, it is time to get down to work." It was clear even then to every sensible person that the premier was being devious. How can a statesman be outside politics? He cannot be outside politics. Least of all the prime minister, the state's number two. But trying to create the impression that you are outside politics is politics too. Chernomyrdin wanted, very much wanted, to appear to be a real professional, a businesslike person, standing aloof from the policy pursued by an unpopular president. Although he was entirely in agreement with Yeltsin's course, Chernomyrdin preferred to stay clean in a dirty business. But lies do not live long. And the premier's deceit did not survive long. Now this "nonpolitical" figure has turned into virtually the leading political figure in the right-wing bloc of Yeltsinism.

So has Viktor Chernomyrdin suddenly been reborn? No, of course not. He was like that already. The people remember well who proposed him for the post of premier. The people remember how Chernomyrdin, as soon as he had established himself in the post of premier, promptly rushed off to a rally of right-wing forces, where he smiled in embarrassment when the president announced: "The premier is ours, he's one of us" — and embraced Chernomyrdin firmly. The bourgeois public then chanted: "Chernomyrdin — Yeltsin! Yeltsin — Chernomyrdin!" They cried joyfully to Chernomyrdin: "Vivat!" But Chernomyrdin did not present himself, at that time, to the working people, who had been deceived by the authorities. He was afraid....

When Chernomyrdin claimed the post of premier, he stated from the Supreme Soviet rostrum: "I know what to do, I know how to do it." Many deputies decided that Chernomyrdin really did know how to leave behind the ruinous policy of frantic capitalization of the country. But no! Chernomyrdin had no intention of deviating from Yeltsin's course. He certainly did know what to do and how to do it in order to...please the president and put into practice the course determined not by the Russian people, but by foreign capital. Even then he was Yeltsin's man. After waxing indignant, for appearances' sake, against the "lab chiefs" who were at the helm of power, and after a little criticism of Gaydar's shock therapy and monetarism, he became in reality even more of a "lapdog" premier than Gaydar. From Gaydar's policy of running headlong toward capitalism, he went over to the heavy, broad march of the advance of big capital. While urging everyone not to "engage in politics," Chernomyrdin went over from a policy of open capitalization to a snake-in-the-grass version. And he demonstrated his devotion to Yeltsin best of all at the time of the bloody events of October 1993.

Chernomyrdin, like Gaydar, irreproachably fulfills the will of Yeltsin, the United States, the IMF, and the Western G-7. And although an impression was created that he had slowed down this policy, in fact he had only driven the plowshare deeper in order to plow Russia's soil more deeply for the capitalist crop. Chernomyrdin bound big capital tightly to the state's policy. And as a result those economic and social structures that had formerly guaranteed the working people's social gains began to collapse more decisively and on a larger scale. If Yeltsin found it hard to sit tight on the prancing Gaydar, riding Chernomyrdin is like sitting in a Mercedes for him, because Chernomyrdin has proved a more experienced driver in the president's political car.

But now the mask that Chernomyrdin wore to deceive simpletons has been taken off. Chernomyrdin was and is Yeltsin's right arm. That is why he has been charged with heading the right-wing bloc, which embraces the entire spectrum of big capital. An alliance of power and capital has been formed.

Rybkin — the Right-Wing Forces' Left Arm

When an alliance of power and capital gains strength, the conflicts between labor and capital and between the authorities and the people always grow. That is why an attempt has been made to create the appearance of an alliance of...capital and labor, the people and the authorities! The authorities' second election bloc, Ivan Rybkin's bloc, has been described by the right-wing forces as "on the left." But if it is "on the left," it is only so within the right-wing camp. In relation to the working people, who are always the real left, this bloc is also on the right. So let us call it the authorities' second right-wing bloc.

If Chernomyrdin plays the part of the president's right arm, the role of his left arm is reserved for Rybkin. The

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task: to unite the left flank of the right-wing forces in support for Yeltsin's course and to bring representatives of left-wing forces (as far as possible) into the right flank so as to split the left-wing opposition.

Ivan Rybkin is supposed to play the same part in splitting the left-wing forces as Yeltsin himself once played in choosing, at the prompting of right-wing forces, his moment for leaving the CPSU so as to take the party masses with him. At the time, however, Yeltsin did not entirely succeed in this mission. But then the splitting of left-wing forces was further promoted by the policy of Gorbachev, who, along with Yeltsin, made up a kind of political "push-me-pull- you": Yeltsin was pulling people out of the CPSU, and Gorbachev was pushing them out.

Can Rybkin handle this job? Not personally. Others will do it for him. Rybkin is needed only as a front man, as cover for the right-wing forces at the center. This devious little jumped-up peasant is set on a political career. It is this desire of his that the real right-wing forces are trying to exploit, just as they have exploited at various times the careerism of Yeltsin, Rutskoy, Filatov, Shumeyko, and others.

Rybkin's success will depend largely on the vigilance of the left-wing forces, particularly the Agrarian Party, and on the size of the careerist element in the left-wing opposition.

Careerists, for whom personal gain is all, and the people's interests nothing, have always existed in all parties and movements. Now too they are looking for their own gain: Which way will they jump? Careerists have always played the part of the makeweight that tips the scales one way or the other.

But big politics is not made by wandering careerists. A career built on "rightism" is always temporary. We can now see all the right trembling for their position before every election and referendum. They always have to resort to deception to hold on to power.

The Elephant and the Donkey, or Two Donkeys?

So Yeltsin is counting on having two right-wing blocs, like the two arms of one body. Their task is to round up as many votes as possible in the course of the elections to support Yeltsin's line. There is nothing new in this policy. It is the American pattern in all election campaigns, in the country's political life, when two politically similar parties with the totally dissimilar labels "the elephant and the donkey" put on a noisy, deceptive show in the pre-election period, translate the whole of politics into a stage squabble between two or three contenders and their political declarations, but play one and the same game, fighting for one and the same goal: to strengthen the dominance of capital in the country.

Whichever of the two opposing parties wins, it is always the working people's masses, the people, the left-wing popular political forces, who lose. After the victory, the stage adversaries shake hands and celebrate a common victory of capital over labor and the strengthening of pseudo-democracy. The people, having lost the elections, are forced to spend the intervals between elections waging a stubborn struggle for their rights and their position within the framework of bourgeois, rather than people's, laws. The working people's little economic victories do not give them what an election victory for the people's forces could give them — the establishment of a genuine people's democracy, not the "democracy" of capital.

The American system of the "elephant" and the "donkey" has also been used in our country as a diversionary tactic since we went over to much-publicized elections with alternative candidates. At the first elections, the diversionary forces created the false democratic bloc of the Yeltsin "elephant" and the pseudo-democratic bloc of the Gorbachev "donkey." The former bloc included all the right-wing forces of the "Democratic Russia" supporters, the second all the rightward-drifting forces of the left — the "Gorbachevites." Then the Gorbachev "donkey," playing up to the Democratic Russia "elephant," brought the people their first defeat.

Now this pattern is emerging again. Chernomyrdin is forming the "elephant." Rybkin the "donkey."

If You Have a Body and Arms, Who Needs a Head?

History shows that countries are frequently run not by rulers acting from the state's head, but, in a sense, only by their bodies, ensconced on the throne of power. And then the ruling body only acts as the bearer of...someone else's head! That is how it was under many of the Russian czars: The czar is on the throne, but those around the throne rule. Czar Nicholas II often suffered because he could not make decisions by himself, and also because he often made stupid decisions, for which he got into trouble with the imperial family. The tearful czar ruled with the help of numerous other heads, up to and including Rasputin's head, until Russia collapsed.

It was, alas, the same when certain "leaders" were in the general secretary's chair: The country was ruled in reality by the entourage, who had no responsibility. Of all the Russian czars and Soviet leaders the only ones, in my view, who ruled with their own heads, for better or for worse, were Peter the Great, Lenin, and Stalin.

Many political forces find it much to their advantage for the country to be ruled not by the rulers' heads, but by

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their bodies, to which another head can be attached. It is easier to control a body than a head. In the perestroyka years, the right-wing forces of pseudo-democracy spent a long time looking for a ruling body of this kind. An obviously right-wing ruler could not be placed on the throne of power. The left-wing people would not have followed a right-wing ruler. It was to their advantage to place on the ruling throne someone from the "left" who would pursue a right-wing policy.

The anti-Soviet, pseudo-democratic forces gambled on Gorbachev. But he was always burbling on about "new thinking" and "humane democratic socialism," which the West eventually got sick of. That body did not suit pseudo-democracy, and so its choice fell on the body of Boris Yeltsin.

Now we can clearly see the political structure of Russia today. The people are left-wing, the authorities right-wing. There is the president's body, there are the pro-presidential arms, and there is the head on top of the president — Washington's head. Russia's brains are shaped in the United States, G-7, the IMF, NATO, and European and other organizations. Nerve impulses come from there to control the body and arms of Russia's right-wing forces. And the language of power consists of Yakovlev's mass deception media.

In the perestroyka period, state anti-figures like Gorbachev, Shevardnadze, and Bakatin came to power. In 1991 anti-state figures like Yeltsin, Gaydar, Gavriil Popov, Sobchak, and Luzhkov came to power. Both times there were also snake-in-the-grass anti-figures like Burbulis and A. Yakovlev.

All these figures studied and study with Western experts on Russia.

Thus numerous Western models of economies and "democracies" are imposed on one and the same Russia.

Is There a Social Base for Centrism in Russia?

The Russians have a saying: "All at sea." According to Dal, this means getting into "a difficult situation or trouble in which you do not know which way to turn." Political centrism is precisely the area between left- and right- wing forces "where you don't know which way to turn." It is an attempt to maneuver between two opposing sides: the people and the anti-people forces, those who work and those who want an affluent life without working.

Political centrism is chameleonism for waverers, the apathetic, people waiting for things to move their way, people who haven't worked out what the situation is. At election time left and right will fight to get the centrists onto their side. This was the way they tried to win over the middle peasant who didn't want to side with either the "Reds" or the "Whites." So he had to be on both sides — depending on the circumstances. If the "Whites" came they would mobilize. If the "Reds" came they would also mobilize.

That is the fate of the centrist, the one in the middle in big politics, in the power struggle among the country's political forces. But the winners have always been the ones with more of the people in the middle on their side at the right time — people persuaded over by compulsion or propaganda.

There has never been such a thing as middle power or a middle policy since there are only two real policies — the protection of labor and the protection of capital. Leftists have always struggled for the protection of labor. Rightists have always struggled for the protection of capital.

They will use different slogans, but Chernomyrdin and Rybkin will try to win over the middle mass of the population into the same camp — the right-wing camp. They will be promised a golden capitalist life, but they will be trying to drag them into their camp not in order to turn everyone into a capitalist or businessman — that is impossible — but in order to use their votes to save the capitalist regime.

Chernomyrdin's and Rybkin's task is to create a pyramid society in line with Stolypin's prescription. As is known, under Stolypin 60 percent were poor, left-wing, and red in terms of their social situation; 20-25 percent comprised the middle category of rural and urban inhabitants as a protective barrier between the poor and the affluent bourgeoisie and landowners; 10-15 percent were kulaks, most of them merchants, who were the advanced post to protect the rich elite from the indigent popular masses; and 3-5 percent comprised the big industrial and farming bourgeoisie and landowners, who owned most of the wealth in the country and dominated the people using the kulaks as a screen. Such pyramids exist in all countries divided into classes.

The poor population always displays dissatisfaction with this kind of social pyramid. It rises up and makes revolutions. Stolypin diligently strengthened the kulak as the savior of this pyramid, the savior of capitalist and autocratic system. The kulak is always the ally of big capital since he himself seeks to gain big capital. The person in the middle category is always apathetic, and his apathy dooms the poor to permanent poverty.

It is difficult, even impossible, to alter this kind of pyramid in a poor, ruined country. This requires a powerful upsurge in the economy and in the production

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of material benefits. Russia will not now lift 80 percent of the poor population into the middle category, as the Yeltsinites constantly promise. But you can win the middle category's votes with false promises. Chernomyrdin's task is to dupe the kulak by promising him big capital. Rybkin's task is to dupe the middle peasant by promising him an affluent life.

Death the Best "Stability"?!

"Stability" is the main pre-election propaganda hobby-horse being ridden by the Yeltsin authorities. Representatives of the authorities are "proving" the onset of stability in the economy by citing the fall in the rate of decline [as published] of inflation and in the rate of decline in production.

What deviousness! What cynicism! The rate of decline in inflation and production, although falling, is due solely to the fact that there's nowhere else for them to fall! Most industrial capacity is at a standstill. The ruble is disastrously undervalued. The nonpayment of bills has enveloped all sectors of the economy and budget-sector workers. The economy is in a coma, and death is approaching.

The dead are all "stable," of course. It is to this "stable" condition that the Yeltsin authorities have now brought the Russian economy. It is being stabilized not by life but in death.

But the fact that the Yeltsin regime constantly presents death as life is nothing new to us. This regime presented the disintegration of the Union as "long-awaited" sovereignty for Russia. It presented the destruction of the country as "rebirth." The complete collapse of the economy is presented as as "long-awaited" deliverance from "totalitarian socialism" and the blossoming of "civilized capitalism" in Russia. Dictatorship is presented as democracy.

Will the voters again believe the authorities' new myth about the "stability" of the economy and the "rebirth" of Russia? Will they believe the president's shameless advisers, the shameless pro-Yeltsin ministers, economists, and political scientists who know they are lying but lie to save their position? In welcoming "stability" these people are uttering not words of rapture but squeals of panic. Let's listen to such a squeal from Economics Minister Yevgeniy Yasin: "The economy can be said to have reached a kind of bottom: There's nowhere else to fall." Yasin does not specify what kind of bottom he is talking about — grave or burial pit — but he does specify that stabilization will take another three years and that economic recovery is possible if we have appropriate economic policies, investment, completely new production capacities, new technologies, contract and payments discipline, and legality and law and order, if state power is strengthened, and so forth. So many "if's"....

But if just one of these "if's" is lacking, it's good-bye stability. And very few of these "if's" will happen if we keep these authorities, who promised the people prosperity in six months, then a year, then 500 days but have given us nothing except robbery, night-sticks, and blood. The voters have something to ponder.

The task facing the left-wing forces as opposed to the right-wing blocs is to tell the people the truth: Only the creation of a society of labor and a labor economy excluding rentiers will offer an opportunity to eliminate both the cost-driven economy...and the spendthrift economy inherent in capitalist countries, and it is necessary not to return to the Stalin model of state socialism but to advance further in developing the economy on the basis of free creative labor, not freely swelling capital!

All countries' experience shows that the stable countries are those where there is little polarization of the population in material terms. There should no more than a four-fold disparity between the richest 20 percent and the poorest 20 percent, which was always maintained in the USSR. The United States manages to keep this disparity at 10-fold by robbing the outside world to feed the bottom strata of its population.

This disparity is everywhere regulated by laws and taxes. The stable countries are those where the state curbs capital and gives freedom to labor. But the present Russian rulers have increased the disparity between the richest 20 percent and the poorest 20 percent to more than 30 times. With this disparity there will never be stability in the country, no matter how much people go on about "national consensus." The working people will never resign themselves to low-paid labor and high prices, to capital getting fate as result.

Acting in the interests of right-wing forces, Chernomyrdin and Rybkin are encouraging the country, by retaining Yeltsin's policies, to go farther along this road, into a deeper abyss. With this kind of policy it is impossible to achieve the main thing: the improvement of the position of working people, social justice, and a people-based system. The problems of economic inequality and social injustice will continue to shake the country.

The task of perestroyka was objectively to make the transition from a cost-driven to an economical economy, from an underdeveloped to a highly productive economy. We had the means, resources, and circumstances for this. Perestroyka would have worked if Gorbachev had not gone off to study how things are done in the

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West, where the economy is spendthrift and society is consumerist.

As a result of our rulers' Western education we went from a cost- driven to a spendthrift economy. It was this which led Russia to collapse. And it is now impossible to extricate Russia from the spendthrift economy or society from consumerism without getting rid of spendthrift capital.

The right-wing forces' pre-election maneuvers are maneuvers not for the sake of the progress of the country but for the sake of the survival of the present regime. If those around the throne lose the ruling body, what are they to do? They would lose everything. No matter who comes after Yeltsin, he will sweep away all his present entourage in order to avoid compromising himself! Therefore those around the throne will do everything to drag the old ruling body into the presidential elections. Even if it is completely brain- dead, as Brezhnev's body became, it will still be dragged to the throne.

The parliamentary elections are a general rehearsal for the presidential elections, a testing of strength, of the electorate, of tactics, and of the regime's potential. If they do not achieve the necessary number of votes that means the right-wing forces will do everything to ensure that the elections fail and the term of Yeltsin's powers is extended along the lines of the Asian model, for instance.

So What To Choose?

At the present stage of Russia's movement any elections and referendums are not elections of deputies but **the choice of the country's development**. Right now it is hard for our country to choose either deputies or their path. The people, misled by perestroyka, have been disillusioned with the old model of state socialism and struck dumb by the savagery of imported capitalism. They are in disarray and do not know what to do.

In the election campaign great importance will attach to the parties' work with the population. The rightists will again, as at previous elections, intercept the slogans of the leftists and overpower their voice with their own and the Western media of mass mockery. The rightists will intimidate voters with a left-wing revolution, with Stalin's GULAG, with a fascist dictatorship, and so forth. Here they have already become skilled and could again torment the population's consciousness. But the rightists have big problems. They have lost any trust among the population. They have no new people who could emerge for the elections with a good image. Their old cadres have been despised by the people and they have not raised any new ones. So they are counting on the resurrection of Yeltsin's image and on the nomination of candidates from big capital who for the sake of power could throw billions at the voter via sponsors, patrons, and charity. By robbing millions they can feed thousands.

The leftists have new, worthy candidates but so far they do not have the unity they need. The rightists will try to prevent that unity. Rybkin's task is to blow up the Agrarian Party. The leftists' path to victory is the nomination of candidates from the people, workers, peasants, and the working intelligentsia. The people, disillusioned with a parliament consisting of lawyers, politicians, and party workers, will vote for the people's candidates. The working people have no one left to believe in apart from themselves. They will vote for candidates from the working people in the knowledge that this category of people will be able in parliament to work out which laws are useful to the working people and which are to the advantage of their robbers.

A people's parliament should consist of representatives of the people, and the people are the country's working population!

Democratic Russia Leader on Election Outlook

MM1205105495 Moscow ROSSIYSKIYE VESTI in Russian 7 May 95 p 3

[Interview with Lev Ponomarev, cochairman of Democratic Russia, by Tatyana Sukhomlinova; date and place not given: "We Must Join Forces Both 'For' and 'Against'"]

[FBIS Translated Text] At one time, the Democratic Russia Movement united virtually all forces in opposition to the CPSU. Having become a "powerful electoral machine," Democratic Russia contributed to a significant extent to Boris Yeltsin's presidential election victory. We talked to Lev Ponomarev, cochairman of Democratic Russia.

[Ponomarev] Assessing our place in the present political spectrum, we are a democratic opposition to the incumbent executive power, that is, the president and the government. This was confirmed at the Fourth Democratic Russia Congress held in Chelyabinsk in mid-April.

Essentially, we are in the same niche as Yabloko. We have held consultations with the leadership of the parliamentary faction and its members on uniting to form an election bloc. But unfortunately our proposals have been rejected.

[Sukhomlinova] What are the reasons for the rejection?

[Ponomarev] Their position is simple: They say they have never governed the state and consequently are not responsible for the mistakes made in the implementation

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of reform. Democratic Russia, however, is to blame, in their view.

[Sukhomlinova] Do you agree with that?

[Ponomarev] The mistakes made by the president and the government should not be linked directly to our movement. However, as a rule, voters make no distinction between Democratic Russia and Boris Yeltsin. The less they know about the real situation, the more responsibility they pin on us.... So the logic behind the Yabloko leaders' rejection of our proposals is clear.

[Sukhomlinova] Perhaps we could leave aside political leaders and their ambitions for a moment and turn to potential voters. In your view, is there an idea (and should there be one) that can unite democratically minded people?

[Ponomarev] We can no longer discuss this subject in the abstract. The election campaign has begun. Or, to be more precise, two campaigns — the parliamentary and the presidential. In my view, it is not only possible to unite democratically minded voters, it is essential. I can see several uniting factors. First, these elections simply must take place. Second, their results must not be falsified. Third, people simply must turn out to vote.

I am sure that the results of the last parliamentary elections would have been quite different if democratically minded voters had gone to the polling stations on 12 December 1993. One of the main tasks now is to unite potential supporters of reform and democracy in Russia. I stress: Not supporters of the "democrats" now in power, but supporters of democracy in Russia.

[Sukhomlinova] But on the basis of what idea could such unity be achieved?

[Ponomarev] On the basis of the idea of reforms in Russia. They have in fact only just begun and are being distorted in the process of their implementation. So now we are faced with the problem of either returning to a totalitarian communist system or moving toward a new form of totalitarianism: Russian fascism. We must unite against both of these possibilities.

[Sukhomlinova] In my view, people have heard enough of having to unite "against" something. They want to know in the name of what — "for" what — they should unite.

[Ponomarev] They should unite so that their sons do not have to go to war in another Chechnya, for example. I think it important for every voter to know whether Russia will wage wars in the south, as favored by Vladimir Zhirinovskiy. I think it important for them to know whether we will have another communist system, which will probably be very bellicose....

Of course, every democratic organization has its own program. The voter will decide what version of reform he should support: Grigoriy Yavlinskiy's, Boris Fedorov's, Yegor Gaydar's, Sergey Glazyev's.... There are very many programs.

[Sukhomlinova] What place does your movement's program hold among them?

[Ponomarev] We are still drawing up our program. Yavlinskiy, for example, has said that he knows how to extricate the country from crisis. Boris Fedorov has said the same. We, however, want to sum up voters' opinions, so we are asking them to tell us how best to implement reform in Russia. How should tax reform be carried out, for example? Both the taxpayer and the tax collector has something to say on the subject.... In defining our movement's program, we intend to sum up the opinions of those people who will then come to the polling stations.

[Sukhomlinova] What must be done to ensure that the democrats do not lose the elections?

[Ponomarev] "Win" and "lose" are rather conventional words. Some say, for example, that the democrats won the last elections. I happen to believe that they lost.... The question must be put differently: How can the democrats avoid collecting even fewer votes than they did in the 1993 elections? There is a danger of that happening. Consequently, the main task is to persuade democratically minded voters to turn out to vote. In the final analysis, I personally do not mind who collects the most votes: Yabloko, our movement, Boris Fedorov's Forward Russia, or Russia's Democratic Choice. What is important is that democratically minded voters have as many of their representatives in parliament as possible.

[Sukhomlinova] Big money has come into modern-day Russian politics, and it is no secret that money largely determines success. You yourself have spoken of the desirability of solid support. Does this mean that your financial resources are modest at present?

[Ponomarev] Yes, I make no secret of that. But there are groups who give us support.

[Sukhomlinova] If it is not a secret, could you tell us who?

[Ponomarev] We are supported by quite a large number of medium-sized businesses. It would be unfair to name a few individually.

[Sukhomlinova] Have you been approached by any parties or movements suggesting that you get together to form an election bloc?

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[Ponomarev] There is talk of the need to join forces, yes. But, unfortunately, as soon as we get down to specifics — discussing the principles for drawing up lists, for example — differences of opinion arise. Although this work has begun, it is still premature to talk about results. In any case, we have held preliminary talks with the Party of Economic Freedom, the Peasants' Party, and the Free Democratic Party.

[Sukhomlinova] How did you respond to the information that two new blocs are to be set up, headed by Viktor Chernomyrdin and Ivan Rybkin?

[Ponomarev] I can only give you my own personal opinion. Although it was expected, it came as a surprise. It was generally understood that progovernment forces had to form themselves into some sort of structure. But the fact that this process is going to be "dominated" from above, and by Chernomyrdin and Rybkin rather than the president, did come as a surprise to me.

I think that the arrangement of forces will become clearer with the appearance of these blocs. Whereas previously the political landscape was eroded and appeared as if in a mirage, that mirage has now gone. Some clarity has appeared in the runup to the elections. The center is stabilizing. There are attempts to describe Chernomyrdin's bloc as right of center and Rybkin's bloc as left of center. As far as I am concerned, however, both are left of center, only with different nuances.

[Sukhomlinova] How will their appearance affect Democratic Russia's position?

[Ponomarev] I do not think there will be any significant change.

Chairman Outlines Union of Realists' Aims

MM1205120095 Moscow ROSSIYSKIYE VESTI in Russian 11 May 95 p 2

[Interview with Yuriy Petrov, chairman of the Union of Realists, by Ruslan Lynev, date and place not given: "Democracy in Russia: Reality and Predictions. The Elite Should Not Be Inferior in Its Spiritual Qualities to Those Whom It Leads" — first two paragraphs are introduction]

[FBIS Translated Text] As already reported, 10 founders have joined forces to launch the "Union of Realists" public movement. The ten are the Republican Humanitarian Party (chairman — Yu. Bokan), the "Civic Union" political-economic association (chairman of the political executive committee — V. Lipitskiy), the "Creation" sociopolitical movement (chairman of the executive committee — V. Sokolov), the Russian Development Fund (president — V. Shegortsev), the "Peace to the Oceans" international Committee (chairman — P. Barabolya), the Movement of Humanitarian Forces (executive committee chairman — A. Kanunnikov), the "Slav World" public association (chairman of the board — A. Semenetskiy), the Moscow Zemstvo City Union (chairman — I. Krugovykh), the "Democratic Renewal" Foundation (executive committee chairman — V. Mironenko), and the "Realists" Club, whose leader, Yu. Petrov, is also leader of the new movement.

The movement's program was adopted at its constituent conference. Regional structures have been or are being created in St. Petersburg, Voronezh, Yekaterinburg, Krasnoyarsk, Belogorod, Rostov-na-Donu, Samara, Novosibirsk, and elsewhere. It has been announced that the "Union of Realists" will take part in the parliamentary and presidential elections. Nevertheless, the movement is not well known to the public at large yet. In this connection we put a number of questions to Yuriy Petrov, chairman of the "Union of Realists."

[Lynev] First of all, why form a movement and not a party? And why a movement of realists? Are there really none in the other parties and movements?

[Petrov] A movement, it seems to us, is a more democratic form of organization which, on the one hand, makes it possible to pool the intellectual and material potential of its participants and, on the other, enables everyone to retain his individuality.

It should be noted that in the West the role and character of the traditional political parties are changing and their means of influencing voters and policy are changing too.

As for realism, we claim no monopoly here, of course. On the contrary, we are ready to cooperate with the realistic and constructively minded representatives of the most diverse forces. Apart from fanatics and extremists, naturally.

These are no mere words. For over a year now well-known entrepreneurs, scientists, and politicians of the most varied persuasions have been meeting at the "Realists" Club. The intellectual exchange and discussions on the fundamental questions of the country's development have not caused divisions between people so far — quite the reverse: On each occasion they helped to formulate an all-around, objective view of a problem and the means of resolving it. The common denominator here is realism.

I would even put it like this: Realism unites people. In contrast, all forms of one-sidedness or stubbornness caused by inadequate information, limited thinking, or narrow interests disunite people and sow conflict, even though society has had it up to here with that kind of thing.

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We are working for a union with all healthy and honest-minded people regardless of their party affiliation. And even if we have quite a few areas of disagreement with both the Left and the Right on matters of the economy, the social sphere, and foreign policy, there is nevertheless a sphere where there is no disagreement. For example, there is no disagreement on how far our state has become a rule-of-law state in the past three to four years. At the federal level the laws are in conflict with "edict-based law." What is more these edicts often contradict one another and the government's documents. Parliament has been completely stripped of its monitoring functions. "Rule by telephone call" continues to operate; all that has changed is that it has moved from the party committees to representatives of the administrations at various levels, the rich, and the mafia. Increasingly often ordinary people despair of finding protection for their interests from the courts and the legitimate authorities and are forced to seek protection from the mafia, which is increasingly clearly becoming the regulator of relations in society. Our mafia is truly world-class. First we were told that the soviets were incapable of representing the people's interests and should be dissolved, now the new organs of representative power and self-government are also the victims of discrimination by the executive and officials and are being suppressed. A narrow group of people was borne to the pinnacle of wealth and power by the upsurge of democracy, it does not want to be swept back down again, and it is afraid of a new upsurge. In short, we recently took one step toward a rule of law state but now we have taken two steps backward. That is the reality.

[Lynev] It is simply amazing that the results of the intensive borrowing of Western experience and its use as a yardstick have been so discouraging.

[Petrov] This should not be surprising, because the problem of how to combine your experience with someone else's in a rational way is indeed not at all a simple one. Extreme approaches have been taken to this problem. They are based on the one-sided assessment of one's own experience and that of others and of the possibility of synthesizing them. It is naive to expect the West to care deeply about us. But regarding every Western politician or investor as a potential colonizer of Russia means that you have lost your grip on reality. The reality lies elsewhere: These people have interests of their own. They are prepared to respect us if we can defend our interests. And how well we combine private interests and the common interest is our concern, not theirs. Here I recall the words of President Roosevelt who said, anticipating the New Deal: "We will not blame anyone for being rich if they acquired their wealth honestly and use it properly." Or: "The American people rightly demand a new nationalism, without which we cannot resolve the new problems. The new nationalism places national needs above the interests of groups or individuals." But they tell us that we have to be patient, that it does not matter at the moment how the first and then the second echelon of "new Russians" get their share, and that only after that will they look after the rest of society, perhaps, and give them a share. It is the residue principle once more. It is simply amazing what we borrow from the West and how we do it. Not to mention the fact that the words "patriotism" and "social" and "national" interest are used by some politicians and journalists — in some kind of delirium — as terms of abuse. And other words are turned into anti-words.

[Lynev] You have identified a number of divisions in our society. In your view, what is the main one? And can a bridge of mutual understanding be built across that divide?

[Petrov] I would not claim to have named the main division, but I think it is a significant one. And I am convinced that this division can be overcome for the sake of the main aim — Russia's rebirth. It emerges from the many discussions in which I have taken part in the past year that, having managed to win over a considerable section of the people with the noble aim of social justice, the party which had come to power then restricted freedom to such an extent — with the same lofty aim, it seems — that justice eventually suffered. Seeking to rectify this distortion during perestroyka and the reforms, many people, especially those who were the victims of injustice, and their children began to work for freedoms. But what happened was that a minority managed to use those freedoms to make fabulous fortunes at the expense of the majority. As a result justice and freedom were flouted once more. It would seem clear: You cannot have one without the other. You have to combine them, not set one against the other. That, in my view, would be realism.

[Lynev] The realism of centrism? In Russian conditions centrism is most often a movement of common positions and common words. That way participation in politics is possible. But is that the way to achieve success?

[Petrov] In my view centrism does not mean renouncing the struggle or lofty goals. It does not mean appeasement, a lack of principle, or opportunistic maneuvering. It is not the absence of a stance but a stance which has to be achieved through experience, has to be defended, and has to win over supporters. For example, in the economy we support a combination of all forms of ownership not competing with one another but complementing one another. All that you have to do is envisage

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the potential of each form of ownership in our conditions. Or consider the plan and the competition. We put the question in these terms: as much planning as necessary, as much competition as possible. Financial stabilization? Yes, of course. But is it really possible to achieve financial stabilization by restricting the population's demand through the liberalization of prices? The crucial anti-inflationary factor in our view is to expand the domestic market and increase the supply of goods in it by means of Russian production. And when people ask us what kind of society we want, we reply: A society with a strong social economy, a strong social policy, and a strong social ideology. This is a society of respect for people, of realism, and of optimism. Our country and our people have everything necessary to build such a society.

[Lynev] How infectious is your optimism? How many supporters do you have?

[Petrov] It is hard to give a precise figure right now. But given that the movement seeks to represent and defend the interests not of one stratum of society but of all of them, our aims appeal to many people. It is no coincidence that the People's Pedagogic Party, the "People's Alliance" patriotic movement, the "Mars-Mercuty" international professional ex-servicemen's foundation, the "2000-letiye" Foundation, the Society for the Promotion of Conversion headed by Academician Ye. Avduyevskiy, and the Moscow Artists' Union Center of Ecclesiastical Art wanted to become members of the "Union of Realists." Applications continue to come in from parties, movements, and individual citizens. The "Union of Realists" is becoming a mass organization.

[Lynev] To paraphrase a well-known saying, let me ask you: Does that mean a realism without boundaries?

[Petrov] No, it must have boundaries. While it is within boundaries it is realism. When it ceases to be within boundaries it becomes something else.

Kazannik on Economic, Political Crisis

954E0905A Moscow DELOVOY MIR in Russian 22 Apr 95 p 2

[Interview with Aleksey Kazannik, leader of the Party of People's Conscience, by DELOVOY MIR political correspondent Boris Krotkov; place and date not given: "Our Motto: Professionalism, Morality, the Law"]

[FBIS Translated Text] Political life in Russia is ever more manifestly beginning to develop under the aura of the elections to the State Duma, coming later this year. Parties and movements are uniting in blocs, realizing that in joining together it will be easier for them to achieve success. A few days ago such a bloc was formed by the Party of People's Conscience—known as the party of Kazannik, former procurator general of the Russian Federation, People's Party of Russia (party of Gdlyan), and Party of People's Self-Rule, headed by famous surgeon and businessman Svyatoslav Fedorov. DELOVOY MIR political correspondent Boris Krotkov converses here with Aleksey Kazannik.

[Krotkov] We know that people enter politics for various reasons. Often it is for self-actualization. What about you? Especially since the work you have been doing as a professor at Omsk University is quite interesting and necessary.

[Kazannik] When I was procurator general, I had very close contacts with the upper echelon of power in Russia. I became convinced that this authority was professionally unprepared, and more importantly—that it was carrying out its functions outside the framework of the Constitution. Moreover, the authority has elevated violation of the law to the rank of state policy. I want to turn this around.

[Krotkov] How do you assess today's socioeconomic situation?

[Kazannik] It is one of acute crisis.

[Krotkov] How is it that we have come to this, in your opinion?

[Kazannik] First of all, it was back during socialism that we started out in this direction. At that time, state ownership predominated. But you cannot have an effective economy on that basis. Another major reason we find ourselves in this condition is Gaydar and his shock therapy.

[Krotkov] How would you characterize Yeltsin in just a few words?

[Kazannik] He has the tremendous potential of being a destructionist leader.

[Krotkov] Yet you gave him your deputy seat in 1990. What was guiding you at that time?

[Kazannik] I recall that when I surrendered my seat to Boris Nikolayevich, Telman Gdlyan—whom I did not yet know—came up to me and said: "You are a lawyer and look at the harm you have done!" Boris Nikolayevich was a persecuted man at that time. And you know the Russian mentality—we always take the side of the offended party...

[Krotkov] Let us look forward a bit—to December and the election. Let us say you are elected. Will it turn out that you again surrender your seat to some persecuted individual?

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[Kazannik] Today I will surrender my position to no one. And not because I have stopped sympathizing with those who are persecuted and offended. It is for a different reason. I do not see worthy people around me, people who would be capable of doing for Russia what I want to do, or more accurately—what the Party of People's Conscience wants to do.

[Krotkov] In that case, let us talk about your party. About a month ago you held a congress at which program documents were adopted. What main demands of Russian state policy are formulated in these documents?

[Kazannik] We are demanding that state policy be open and comprehensible to all, that it be turned into a socially oriented policy, set on a solid legal foundation, aimed at improving Russia's prestige.

[Krotkov] The word "conscience" appears in the name of your party. What is it to which your conscience cannot be reconciled?

[Kazannik] To the absence in Russia of a mechanism holding the authority responsible to society. To the preservation in our country of a system that suppresses the individual, a system frightening in its destructive force. To the greedy money-making, covetous profit-seeking, and personal ambition being fostered under the guise of state interests and an all-encompassing concern for the individual. To the principle of cadre selection and placement based on personal devotion to the leader. The tradition of personal devotion to "the boss" is a symptom of chronic dictatorship. A bureaucratic pyramid of authority has historically been Russia's curse.

[Krotkov] I know you call yourself a centrist. All the same, whose interests do you most express?

[Kazannik] The Party of People's Conscience protects the interests of both labor and capital. We are proceeding from the premise that both entrepreneurs and hired workers—though to varying degrees—suffer from the oppression of a corrupt state apparatus, antiquated and muddled legislation, violations of the law by responsible officials, exorbitantly high prices for raw materials and finished production output, heavy pressure from taxation, the force of organized crime, and economic crisis.

The Party of People's Conscience is oriented on effecting Russia's regeneration through spiritual unification of the people, cooperation of the intellectual forces of society, and the formation of a sense of deep respect for the law. In its practical activity, the party is guided by an ideology of convergence and nation-state rebirth. The citizens who come to us are not interested in strengthening the extremes or in exacerbating the sociopolitical situation.

[Krotkov] Have you attracted many citizens as of today?

[Kazannik] We have 75,000. In 56 regions. A third are from the rural locality.

[Krotkov] Today political parties are judged primarily on the basis of what they are proposing in order to overcome the economic crisis. What does your anticrisis program look like? What package of measures do you propose?

[Kazannik] We do have such a program, but a lengthy report would be required in order to lay it out. I can cite the main aspects, however. We believe it will be necessary to provide legislatively for a diversity of forms of land ownership, equal rights in the development of various forms of economic management, and independence for the rural goods producers. It will be necessary to support the establishment and development of land banks and proprietary farmers, of production, supply, and marketing cooperatives. We advocate leaving the largest industrial enterprises in the form of state property. With respect to them, the state must carry out functions of production planning, material- technical supply, and financing. It must set up state requisitions and guarantee the marketing of finished production output. Furthermore, we are in favor of providing guaranteed advantages to Russian entrepreneurs over foreign companies. Finally, a commission must be created in order to verify who becomes the owner of a privatized enterprise and on what basis. It will also be necessary to elaborate and initiate controls on the part of the state and joint-stockholders for the activity of leading organs of joint-stock enterprises.

[Krotkov] What do you intend to accomplish in the budget and finance sphere?

[Kazannik] First of all, we want to subordinate tax, credit, and investment policy to resolution of the main task—the restoration of expanded production of goods and services. Specifically, here is what we want to do. We want to bring in independent experts to develop an incentive system of taxation. Tax rates on income must be established based on Laffer's Law (the producer does not pay more than 30-40 percent of the profit received). We want to differentiate tax rates, with the establishment of minimum rates for priority and socially oriented sectors of the economy, and to establish a procedure by which the tax rate decreases for each percentage increase in volume of production. We reject rent payments as ineffective and intend to establish in their place a monetary assessment of natural resources, to introduce a system of payment for the use of natural resources. We want to reduce the numerical strength of the state apparatus by at least a third. We will afford credits first

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of all to enterprises that maintain high production effectiveness and enhance the standard of living of the populace. We intend to move away from subsidizing agriculture overall and towards subsidizing the production of particular commodities needed by society. We want to reduce inflation by stimulating material production and effecting a framework restructuring. We will tighten state control over the cost of output produced by monopolist enterprises. We will adjust the policy of the Central Bank which undermines the competitiveness of mid-size and smaller banks by effecting optimal (taking regional conditions into account) regulation of the amount of authorized capital. The Central Bank will retain only the most important functions: determination of the main orientation of finance and credit policy, supporting the national currency, and things of this nature. We will prohibit interference by the Central Bank and its institutions in the operational activity of commercial banks.

[Krotkov] According to the present Constitution, Russian citizens are not guaranteed the right to a free high school education, free medical treatment, or free housing. How does your party view this?

[Kazannik] Negatively. We believe every citizen must have a real opportunity to obtain a quality education both in high school and at institutions of higher education. The majority of educational institutions must be state institutions, with free education. We also advocate retention of the citizen's guaranteed right to free medical treatment at state medical centers. Private hospitals and clinics, treatment centers, and sanatoriums may operate, but not at state expense. The program providing housing to citizens must also be continued.

[Krotkov] The second phase of privatization, the money phase, has begun. What ideas are being proposed by your party in this regard?

[Kazannik] Our party program states: "With the aim of correcting voucher, nomenklatura-style privatization, we will immediately conduct a monetary assessment of the total national wealth of Russia, divide the result obtained by the country's population and distribute to each citizen, taking into account his labor participation coefficient, state bonds reflecting a real share of all the people's property. We will establish bond maturity terms."

[Krotkov] But is such a prospect possible, dear Aleksey Ivanovich? No one would venture to do this.

[Kazannik] It is possible! Anything is possible if the desire is present. As far as citizen deposits in savings banks are concerned—deposits devalued since January 1992, we propose that these be indexed. A portion would gradually be distributed monetarily, and a portion issued in the form of land-purchase checks and shares of privatized enterprises. Are you going to say that this idea too is unrealistic?

[Krotkov] I will say that it sounds tempting. Something similar is being proposed by the State Duma. But I think the president will veto the draft law.

[Kazannik] That is why we are declaring that the regime must be removed and that our party should accede to power in a bloc with other centrist organizations. We will form a coalition government, one that will become a government of national confidence.

[Krotkov] Along with the economic crisis, we see the unprecedented growth of crime in our country as the scourge of the populace. You are a lawyer, and at one time you were the procurator general. Tell us—can we rid ourselves of this evil?

[Kazannik] Yes. In order to do so, we will have to make the procuracy a truly independent organ. We will have to establish a special investigative committee, perhaps along the lines of the American FBI, where investigations of all criminal actions are concentrated. We will have to stipulate the most severe punishment for crimes against the individual, and cleanse the state apparatus of the corruption that constitutes the nutrient medium for organized crime and massive abuse of authority in the law enforcement organs. Naturally, all of this must be done in a package which includes raising people's standard of living, diminishing political confrontation in society, and strengthening our moral foundations.

[Krotkov] Allow me to ask you a question that you may not find entirely proper. Why during your tenure as procurator general was there not so much as a single major, sensational case prosecuted against corrupt officials or mafia figures?

[Kazannik] You must not forget that I was procurator general for just five months. You need more time to prepare a major case. But I can state that we began legal proceedings in three sensational cases, where charges were filed against people on the ministerial level.

[Krotkov] Where are they now?

[Kazannik] I do not know. Although a year has passed since I left my post.

[Krotkov] So, these ministers continue to work in the government as before...

[Kazannik] I did not say they were ministers. I said they were figures of ministerial rank.

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[Krotkov] Did your party react to the events in Chechnya?

[Kazannik] Yes, quite strongly. We issued a statement pointing out that this was the logical continuation of the bloody events of October 1993. We have advocated the withdrawal of federal troops from Chechnya and negotiations with Dudayev, emphasizing that we consider Chechnya an integral part of Russia. During the course of negotiations, Dudayev would not agree to this. It would then be necessary to structure relations with him the way Beijing has structured its relations with Taiwan. Sooner or later, Chechnya would join Russia of its own accord. But what do we have now? Now relations with us will be structured according to the laws of bloody vengeance. I do not believe the Chechens will ever take a liking to us, forgive us, or want to become an integral part of Russia.

[Krotkov] Will you be a candidate in the presidential election of 1996? Or is it too early to say...

[Kazannik] It is too early to say. We modestly noted in our program that the Party of People's Conscience would nominate a candidate in the presidential election, or would support the most worthy candidate.

[Krotkov] In this regard, what personal qualities do you feel the president of Russia should have?

[Kazannik] Professionalism, morality, a deep respect for the law. These qualities are absolutely necessary in a president.

[Krotkov] I understand it is difficult to talk about oneself, but could you tell us all the same what character traits you possess that you do not particularly like?

[Kazannik] There is one such trait I do not much like—an obliging, perhaps too benevolent nature.

[Krotkov] In that case, forgive me, but you would hardly be suitable for president...

[Kazannik] When I am approached with requests, I always try to do my utmost to comply.

[Krotkov] If you occupy a high position, you will have to discard this trait. But in human terms, that would be a shame. Today benevolence and obligingness are becoming less and less common. Today we see ourselves moving towards the law of the jungle. Everywhere you hear people say: That is your problem! What kind of family do you come from? Who were your parents?

[Kazannik] My parents were peasants by birth. My father and two older brothers died during the Great Patriotic War. My mother raised three sons on her own—me and my two younger brothers. They are miners today in Karaganda.

[Krotkov] Do you have a happy family life?

[Kazannik] Very much so!

[Krotkov] How do you spend your leisure time? Do you play tennis? Tennis is becoming quite a popular pastime these days.

[Kazannik] I am a book-lover and a traveler. I am one of a very few people who have sailed Lake Baykal in a rowboat. And after that, I walked around it.

[Krotkov] You give the impression of being a somewhat morose individual.

[Kazannik] Really? I am not exaggerating when I tell you that I am a totally happy man who loves company, jokes, and anecdotes.

[Krotkov] Let us return to politics. You have chosen Fedorov and Gdlyan as allies. Do you not feel like shifting a bit to the left? Towards the Social-Democrats and Socialists, like Lipitskiy, Vartazarova, Glazyev, or Skokov?

[Kazannik] These people are close to us, especially Glazyev. But we have not yet received any proposals from them on cooperation. Incidentally, I respect the Agrarian Party as well, insofar as it is assuming the role of custodian of morality in the village.

[Krotkov] What about the Communists?

[Kazannik] In no way can I go along with their intention to completely repudiate the results of privatization and turn everything back over to state ownership. If this were done, we would see the outbreak of a most horrible civil war.

[Krotkov] Is that what they are saying? I had a conversation with Zyuganov a few days ago in which he told me straight out that he favored a multistructured economy. True, he considers the privatization that has taken place as fraud.

[Kazannik] I have not heard that the Communists now repudiate Marxist dogma on the right of expropriation. It seems to me they continue to view entrepreneurs as...nonworkers.

[Krotkov] Well, since you mention entrepreneurs, you now have the opportunity to address them directly, through DELOVOY MIR, and tell them what they can expect should you accede to power.

[Kazannik] The entrepreneurs themselves know what to do and how to do it. But a great deal stands in their way. Crazy taxes, first and foremost. I have already talked about this. Taxes should be lowered to 30-40 percent of the profits received. Secondly, laws will be passed

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making it disadvantageous to conceal income. Finally, we will undertake the most severe measures to suppress crime. But in turn, we will demand that entrepreneurs observe the law, especially labor legislation.

[Krotkov] Do you truly believe in your heart that we can defeat crime?

[Kazannik] Absolutely. As I have already stated, we need an independent procuracy to start. When I was procurator general, procuracy personnel would say to me: Aleksey Ivanovich, work on making the procuracy free and we will instill order. Including in other law enforcement organs.

[Krotkov] You did not succeed in doing this.

[Kazannik] I could not under the current leadership.

[Krotkov] I understand that you will continue efforts to expand your political bloc. What fundamental principles lie at its base?

[Kazannik] The following: Labor and capital are the creative forces of the progressive development of society; evolution, not revolution; a self-purifying system of authority, open to all- encompassing supervision on the part of society. Furthermore, Russia should not blindly follow even the best foreign models of the structuring of society. Though I personally find the Swedish version quite attractive. We should also remember that no one else will resolve our problems for us.

[Krotkov] What would be a clear and concise motto of your party?

[Kazannik] Professionalism, morality, the law.

Internal Affairs Chief on Increase in Crime

LD1205102895 Moscow 2x2 Television in Russian 0900 GMT 12 May 95

[FBIS Translated Text] During the past four months of this year there were 593 murders in Moscow and the trend toward an increase in serious crimes is continuing, said [Boris] Kondrashov, deputy head of Moscow's Chief Internal Affairs Directorate, at a meeting with entrepreneurs. He added that businessmen most often become murder victims.

At the latest meeting of the entrepreneurs' club, which has a membership of about 80 businessmen from the capital, forms of interaction with the law enforcement agencies were discussed. Cooperation between businessmen and the militia is for the time being generally taking place at the level of the exchange of information.

Boris Kondrashov said that the Internal Affairs Ministry prepared and issued a decree permitting cooperation between entrepreneurs' guard structures and the Moscow Chief Internal Affairs Directorate's zonal information center. However, the general said that closer contact is hampered by the low level of mutual trust.

Media Issues

Ministry Threatens To Cut TV, Radio Air Time

MK1105151395 Moscow SEGODNYA in Russian 11 May 95 p 2

[Report by Viktor Khamrayev under the "Pressure" rubric: "The Minister of Communications Demands That State Television and Radio Broadcasting Companies Cut Their Air Time by a Factor of Two. The Finance Ministry Finds This Demand Sensible"]

[FBIS Translated Text] People in Russia and in the near abroad are in danger of being left without Russian Television and Radio [RTR], "Mayak" [radio station], and Ostankino TV programs during summer vacations, if, by that time, the Russian Federation Ministry of Communications implements the decisions made at yesterday's extended conference.

The urgency of the business meeting of the ministry's leadership with directors of television and radio companies was due to the utmost dissatisfaction of communication workers with the results of the first quarter of the year, upon completion of which the debts accumulated by companies producing television and radio programs for the services provided by broadcasting facilities amounted to 509 billion rubles (including last year's arrears of 242 billion). Incidentally, as was noted at the conference, only state-run companies are in debt.

The financial crisis, which has been plaguing the communications sector for "two to three years," according to Communications Minister Vladimir Bulgak, is fraught with "technological disintegration of the system." Systematic non-payments do not allow for the upgrade of the broadcasting stations' equipment, and, as a result, the "broadcasting area in Russia," as Mr. Bulgak stressed, "has already been downsized by 30-40 percent."

Mr. Minister believes the main reason for the crisis is the "unwillingness" of directors "to accept reality, which has changed markedly, and the completely new economic objectivities," the essence of which, according to Vladimir Bulgak, is that "one should live in accordance with the law."

Referring to some Civil Code articles, Mr. Bulgak demanded that all companies voluntarily conclude economic agreements with the corresponding communications enterprises (Russian Public Television and "Ostankino" have no such agreements). Unless this is done,

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the minister continued, his agency is planning to apply to the Antimonopoly Committee, which will "force" them to sign the agreements. In the future, if television and radio companies fail to fulfill their obligations, the Ministry of Communications intends (by means of claims, satisfied by arbitration court) to block banking accounts of these companies and to raise the question of their bankruptcy.

Leaders of the companies explained their non-payment by the fact that "the most modest costs of maintaining" state-run television and radio services amount to 4.5 trillion rubles, whereas the 1995 state budget provides only 1.5 trillion. In addition, budgetary allocations are received with a delay and in the amounts of 70-80 percent of those envisioned.

In reply to this, Mr. Bulgak advised that companies strictly follow the budget, i.e., reduce air time to fit the budgetary allocations. Under the present financial situation, according to the Communications Ministry's calculations, the state-run broadcasting time should be cut "by more than a factor of two."

This advice was supported by Deputy Finance Minister Izosim Molchanov, who also participated in the conference. Having informed the audience that "there can be no sound television and radio once the economy is sick," Mr. Molchanov suggested that directors of state-run companies think seriously about cutting air time in the summer in order "to save funds" for full-scale broadcasting in the autumn.

All other attempts by the television directors' corps to soften the rigid requirements set by Mr. Bulgak were warded off by a harsh warning from the minister: "Unless agreement are concluded before 20 May, I promise you fireworks of legal proceedings!" In the same harsh manner, Mr. Bulgak also promised to block "all accounts, including commercial ones — we know all of them!" "And two months later," the minister continued to advise the directors, "you will be put under governmental rule and then sold at auction."

Anatoliy Lysenko, general director of Russian Public Television, commenting on the conference, told SEGODNYA's correspondent: "I would like to see a government that will switch off television for the summer — and then see the composition of the government that will switch it on again."

Military, Nuclear & Space Issues

Nuclear Safeguards Still Not 'As We Would Like'

MM1205100795 Moscow ROSSIYSKIYE VESTI in Russian 11 May 95 p 3

[Report by Yuriy Kukanov: "Rumors About a 'Russian Nuclear Mafia' Are Highly Exaggerated"]

[FBIS Translated Text] St. Petersburg — Talk about the danger of nuclear terrorism has clearly alluded to a "Russian fingerprint" in the international smuggling of radioactive materials. Asked by your ROSSIYSKIYE VESTI correspondent to comment on reports about German special services' involvement in an incident at Munich airport in which a container of plutonium 239 from Moscow was detained last August, Rolf Linkohr, president of the European Energy Foundation and member of the European Parliament, replied that he knew nothing about it. If it had occurred, he said, there would have been a government crisis in Germany.

Anyway, he said, it is immaterial where nuclear materials are being stolen — in the East or in the West. This view was supported by his foreign colleagues attending the first international meeting on cooperation between the European Union, the CIS, and the Baltic countries in the sphere of control over the use of nuclear materials, held in St. Petersburg in mid-April. The main thing, they stressed, is to combat this evil, create reliable national systems for recording nuclear materials, and strengthen the rules controlling their nonproliferation on the territory of the CIS and the Baltic countries. The EU countries were not mentioned.

We must combat it, of course. But it is not very clear how, if we do not know where the thefts are taking place. Lev Ryabev, Russian first deputy minister of atomic energy, flatly denied the story of a "Russian fingerprint" on nuclear contraband. There are rigorous standards which enable us to tell who fissile materials belong to. The data on the isotope structures and composition of the permissible impurities of the highly enriched uranium and plutonium seized in West Europe unequivocally demonstrate their non- Russian origin.

But in the Russian nuclear house, too, all is not as well as we would like. The Atomic Energy Ministry representative cited earlier had to admit that there have been 18 thefts of nuclear materials in the past 18 months.He

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was referring to the "Luch" enterprise near Moscow and a Moscow scientific research institution where several hundred grams of highly enriched uranium materials were stolen. Otherwise we are dealing with natural, depleted uranium with a low, 235 isotope content, which poses no real danger. In none of these cases has stolen material crossed the state border. But it is worth pointing out that in the 50-year existence of the Soviet nuclear industry there have been no incidents of that kind.

It is difficult to block for certain all escape routes. The country's checkpoints do not appear to be equipped with the proper apparatus to enable them to detect and prevent unauthorized exports of uranium and plutonium. Storage of nuclear materials at Army depots is a worry. Three officers are currently being tried in Severomorsk, accused of stealing three fuel assemblies for submarine nuclear reactors containing 4.5 kg of uranium. This is not the first time it has happened in the Northern Fleet. But nuclear fuel for submarines is still stored at depots like potatoes: The criminals only had to contend with a standard barn-door lock.

Although the rumors about a "Russian nuclear mafia" are somewhat exaggerated, according to Mikhail Kulik, Northern Fleet military prosecutor's office investigator for special cases, cited by the paper CHAS PIK, there are criminal groupings in the Northwest region that are busy trying to get into depots containing nuclear materials.

The conference in St. Petersburg was attended by atomic energy specialists from Russia, the CIS countries, and Lithuania, senior officials from the International Atomic Energy Agency European Commission, representatives of the European Fuel Cycle Consortium, and nuclear experts. It was noted that the EU spent $400 million in 1991-1994 on improving the system of safeguarding nuclear safety in the countries on the territory of the former USSR. This involves training specialists at Obninsk and developing a robot capable of performing radioactivity measures, which is being designed at the Radium Institute in St. Petersburg. It was stressed that the EU is interested in importing nuclear materials from Russia on the basis of proper agreements, provided that effective international nonproliferation guarantees are found.

Mir Cosmonauts Begin First of Four Spacewalks

LD1205061495 Moscow ITAR-TASS in English 0535 GMT 12 May 95

[By Viktor Gritsenko and Veronika Romanenkova]

[FBIS Transcribed Text] MOSCOW May 12 (Itar-Tass) — At 08.20 Moscow time (05.20 GMT) on Friday, Mir cosmonauts Vladimir Dezhurov and Gennadiy Strekalov, Mission Commander and Flight Engineer, respectively, donned spacesuits for extravehicular activities [EVA], opened an egress hatch and went out for a spacewalk which is expected to last five hours.

This is the first of four spacewalks which are provided for in their flight programme. The purpose of the EVA is to arrange for a transfer of a reusable solar battery from the Crystal module to the Quantum one. This is essential to make room for the Spectrum module which is to dock with the Mir orbital complex on May 27.

To begin with, Dezhurov and Strekalov will transfer to the Quantum module and will connect the station's power supply system cables to the actuator. Then they will go to the Chrystal module. At that time ground controllers will send a command to fold three sections of the solar battery. So, while the cosmonauts are near the Crystal module they will be able to monitor the accomplishment of the procedure. If it fails, U.S. astronaut Norman Thagard who remains inside the station would try to manipulate the solar battery from the station's control console.

The spacewalk is to end at 13.38 (10.38 GMT).

The flight programme provides for four spacewalks which will be probably made on May 17, 24 and 27. The second spacewalk, just as the first one, will last five hours and the other two three hours each.

There are also champions in extravehicular activities. Aleksandr Serebrov took 10 spacewalks. Sergey Krikalev, who had to aprticipate in seven spacewalks is an EVA duration record holder with more than 36 hours to his credit.

In general, Mir cosmonauts have taken 58 spacewalks since 1986 with an overall duration of 688 hours.

Further on Cosmonauts' Spacewalk

LD1205120495 Moscow 2x2 Television in Russian 1000 GMT 12 May 95

[FBIS Translated Text] At 0820 Moscow time on 12 May, the hatch of the Mir orbital station was opened and cosmonauts Vladimir Dezhurov and Gennadiy Strekalov went out for a spacewalk. U.S. astronaut Norman Thagard remained inside the station — he is receiving commands from Earth. The crew's main task is to prepare the station for receiving the Spectrum module and to this end it is necessary to collapse and transfer the 14 meter long solar battery from the Crystal module

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to the Quantum module. Today the cosmonauts are conducting preliminary preparations for this work. The difficulty of the situation is that previously it had not been necessary to transfer such large structures over a distance of 35 meters. Moreover, this is crew commander Vladimir Dezhurov's first spacewalk and only the second one for Gennadiy Strekalov.

Recordholder Sergey Krikalev, who has notched up seven spacewalks which add up to over 36 hours, believes that there is of course a risk: If you float away even a slight distance the probability of returning is very small.

The next spacewalk is scheduled for 17 May. It is expected that by now the cosmonauts have completed their work and have returned to the station. In our next broadcast we will talk about how the operation has passed.

Federal Assembly

Duma Adopts Law on Restructuring Foreign Debt

LD1105173395 Moscow INTERFAX in English 1319 GMT 11 May 95

[FBIS Transcribed Text] MOSCOW, May 11 (Interfax) — Russia's State Duma adopted Thursday a law on restructuring the debt on state credits extended by the Russian Federation, at once in the second and third readings. The law was approved by 261 deputies (the required minimum of votes is 226) with one abstention. No-one voted against.

In accordance with the law, all international agreements on the restructuring of foreign debts on state credits extended by Russia must be ratified by both houses of the Russian parliament. The government is to submit these documents to parliament within three months following their signing.

Chairman of the State Duma's Committee for CIS Affairs Konstantin Zatulin said, presenting the draft law, that foreign countries and former Soviet republics owed Russia a total of $80 billion.

He criticized the document on the prolongation of the repayment of the Russian credit extended to Ukraine, signed by First Deputy Prime Minister Oleg Soskovets. He said that the interests on that credit had already reached $485 million.

The law has been passed to the Federation Council.

Duma Passes Law on Subsistence Minimum

LD1105122795 Moscow ITAR-TASS in English 1103 GMT 11 May 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW May 11 (Itar-Tass) — The Federal Law "On subsistence minimum in the Russian Federation" was passed on the whole by the State Duma on Thursday. According to the document the "subsistence minimum is an indicator of the minimum composition and structure of the consumption of material benefits and services necessary for the preservation of human health and ensurance of activity".

"The subsistence minimum in the Russian Federation is fixed at the level of 40 per cent of the average per capita monetary income in the Russian Federation as a whole and in the given subject of the Federation. However, it must not be lower than the value of the minimum composition and structure of consumption of material benefits and services necessary for the preservation of human health and ensurance of activity", says the law.

The subsistence minimum is defined as per capita value and value for main social-demographic groups in Russia as a whole and in every subject of the Federation. In a subject of the Federation the subsistence minimum may be determined for separate cities and administrative-territorial entities.

The subsistence minimum is needed for assessing the living standards of Russia's population in shaping and implementing the social policy, for the substantiation of the minimum wage and minimum pensions, as well as for the determination of the volume of scholarships, benefits and other social payments.

In addition, the subsistence minimum is meant for assessing the living standards of the population of any subject of the Russian Federation and for spotting contingents of the poor to provide them with specific social aid.

Federal Assembly Chronology: March 1995

95P50115

[FBIS Media Note] [Introduction] This FBIS Media Note contains a topical listing of major decisions, discussions, and actions made by or taken on behalf of the Russian State Duma and Federation Council. Further textual material is available in the 1995 editions of the FBIS Daily Report (DR) "Central Eurasia" or in other cited sources. The citation provides DR listings and page numbers or media source and date at the end of each entry. Items that have been entered under more than

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one topic heading are marked with an asterisk (*). A list of abbreviations and their expansions follows the chronology.

FOREIGN POLICY AND ARMS CONTROL

U.S., Europe, and Latin America

28 Feb 95 — Council ratifies the "Treaty on Friendship and Cooperation Between the Russian Federation and the Kingdom of Spain" and the agreement "On Principles of Relations Between the Russian Federation and the Republic of Columbia" (2 Mar 95, 23; 15 Mar 95, 31)

24 Mar 95 — Duma approves petitioning President Yeltsin to impose economic sanctions against Estonia until it brings its legislation in line with international conventions on human rights (vote: 241 for) (27 Mar 95, 12)

CIS

22 Mar 95 — Duma approves a statement and decree that henceforth issues related to the Ukraine will be carried out in light of the Ukrainian parliament's decision to proclaim the constitution of Crimea null and void (22 Mar 95, 25; 27 Mar 95, 11, 50)

22 Mar 95 — Council approves a decree confirming appointments of Council representatives Yelena Mizulina, Valeriy Adrov, and Oleg Petrovich Korolev to the CIS Interparliamentary Assembly Standing Commission for Legal Issues (29 Mar 95, 31)

* 24 Mar 95 — Leaders of nine Duma factions petition Yeltsin to convene a special session for consultations with the government and parliament on relations with Ukraine (31 Mar 95, 23)

MILITARY AND SECURITY ISSUES

17 Mar 95 — Duma rejects proposal of Deputy Rybakov (Russia's Choice) to discuss the suitability of Minister of Defense Grachev for his post (vote: 182 for) (17 Mar 95, 25)

24 Mar 95 — Duma passes on third reading "The Emergency Steps in Drafting Act"; act includes a proposal of Deputy Yavlinskiy Yabloko that conscripts will serve only in the Armed Forces and the Border Guards (vote: 289 for) (29 Mar 95, 32)

POLITICAL AND LEGAL ISSUES

Executive Branch Relations

10 Mar 95 — Duma's plenary session supports a vote of no- confidence in Minister of Internal Affairs Yerin (vote: 268 for) and Acting Prosecutor General Ilyushenko (vote: 267 for); Duma vote is recommendatory and not binding, only Yeltsin may discharge Yerin from his post (10 Mar 95, 23; 13 Mar 95, 33)

13 Mar 95 — Speaker Shumeyko introduces a clause to Federation Council bill that would make the president and future presidents of Russia a member of the Council for life (14 Mar 95, 31)

17 Mar 95 — Duma rejects proposal of Deputy Ishchenko (LDPR) to invite Foreign Minister Kozyrev to speak on changes in the status of the Foreign Ministry and its supervision of other federal bodies engaged in foreign policy (17 Mar 95, 25)

17 Mar 95 — Duma rejects proposal of Deputy Laknova (Women of Russia Party) to hear Moscow Mayor Luzhkov, former City Prosecutor Ponomarev, and Police Chief Pankratov; on 6 March Ponomarev and Pankratov were formally dismissed following the murder of correspondent Listyev and Luzhkov disagreed with dismissals and threatened to resign in protest (vote: 177-15) (17 Mar 95, 25)

24 Mar 95 — Duma adopts proposal of Deputy Verveyko (CPRF) to invite Yeltsin and Prime Minister Chernomyrdin to speak at the beginning of April on the social and economic situation in Russia and measures to emerge from the crisis (24 Mar 95, 26)

* 24 Mar 95 — Leaders of nine Duma factions petition Yeltsin to convene a special session for consultations with the government and parliament on relations with Ukraine (31 Mar 95, 23)

Internal Legislative Issues

10, 15 Mar 95 — Duma adopts motion of Deputy Baburin (Russian Way) to dismiss Human Rights Commissioner Kovalev (vote: 240-75) (10 Mar 95, 25); Deputy Yushenkov (Russia's Choice), head of the Duma Committee for Defense, resigns from post as a protest (13 Mar 95, 16, 32); on 15 March the Duma rejects a motion from Deputy Stolyarov (NRP) to reconsider Kovalev's dismissal (vote: 146-76, 3 abstentions) (16 Mar 95, 14; 17 Mar 95, 25)

10 Mar 95 — Duma fails to adopt on the second reading the "Law on Human Rights Commissioner" (10 Mar 95, 25)

10 Mar 95 — Duma fails to support a proposal to move the capital from Moscow to another unspecified city (vote: 103 for) (14 Mar 95, 36)

14 Mar 95 — Duma's Committee on Organization registers "Stability" as a new faction; group has 36 members including 12 former members of NRP, eight from Union of 12 December, seven from Russia's

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Choice, two from DPR, two from the LDPR, one from Agrarian Party, and four independents (15 Mar 95, 30)

15 Mar 95 — Duma rejects Deputy Zhirinovskiy's (LDPR) proposal to impose an embargo until the end of the year on the registration of new parliamentary groups (vote: 159 for)

17 Mar 95 — Duma rejects Deputy Zadonskiy's (Russia's Choice) proposal to include on the agenda a debate on the legitimacy of its deputy chairmen, committee chairmen, and chairmen of the Credentials and Counting Commissions staying in their positions (vote: 119-64) 17 Mar 95, 25)

27 Mar 95 — Duma's Committee on Organization registers "Russia" as a new faction formed by members who quit the NRP and independents (31 Mar 95, 23)

23 Mar 95 — Consitutional Court interprets Article 105 and rules that Council is entitled to take longer than two weeks to consider any federal law previously approved by the Duma and requiring Council debate; Court also rules that Article 106 states that Council cannot consider enforceable documents "automatically passed" if they did not have time to analyze them; Council is now obliged to consider laws approved by the Duma at next meeting regardless of any earlier approved agenda (31 Mar 95, 24)

Political Parties and Political Life

28 Feb 95 — Council rejects Duma decree "On Meetings, Demonstrations, Rallies, and Picketing" (vote: 28-55, 7 abstentions); on 22 February the Duma overrode Yeltsin's veto of the decree; Council supports Yeltsin's amendments and believes decree restricts citizen's constitutional freedoms (2 Mar 95, 23)

15 Mar 95 — Duma passes on second reading the draft law on elections which preserves current system of electing half of the deputies from single-member districts and half by party lists (vote: 240-66, 8 abstentions) (16 Mar 95, 12; 17 Mar 95, 24)

Judicial and Legal Reform

10, 21 Mar 95 — Duma overrides the Council and adopts the decree on amendments and changes to the Criminal and Criminal Code of Practice (vote: 336 for; 300 needed for passage); decree will now be forwarded to Yeltsin for signing, bypassing the Council (14 Mar 95, 36); on 21 March Yeltsin rejects decree and returns it to Duma to rework section on capital punishment (21 Mar 95, 30)

15 Mar 95 — Duma rejects initiative of Chairman of Security Committee Ilyukhin (CPRF) to form a commission to draft a new Russian constitution (vote: 178 for) (16 Mar 95, 14)

ECONOMIC POLICY

Budget, Taxes, and Banking

2 Mar 95 — Council adopts an appeal to Yeltsin not to sign the law "On the Central Bank of the RSFSR" and to set up a conciliation commission; deputies consider the law runs counter to several provisions of the constitution and that it is essential to provide a precise definition of the bank's status (3 Mar 95, 13; 6 Mar 95 28)

15, 22 Mar 95 — On 15 March Duma passes on fourth reading the law "On the 1995 Federal Budget" (vote: 286-81) (15 Mar 95, 30); third reading passed Duma on 24 February; on 22 March Council approves law (23 Mar 95, 30; 31 Mar 95, 21)

21 Mar 95 — Council's Chairman of the Agriculture Committee, Zvolinskiy tells Council that it must not pass the 1995 budget "unless a credit worth 20 trillion rubles with a repayment delay of 10 years is earmarked for agriculture" (21 Mar 95, 31)

24 Mar 95 — Duma passes "on the whole" a draft law proposed by the Agrarian faction "On State Commodity Liabilities;" legal flaws in the draft and the absence of government and Central Bank proposals on how to pay the debt are predicted to lead to revisions in draft (31 Mar 95, 26)

Privatization and Bankruptcy Issues

15 Mar 95 — Duma passes law "On the State Support of Small Businesses" (vote: 242-4, 3 abstentions) (16 Mar 95, 13)

Social Welfare

10 Mar 95 — Duma fails to override presidential veto on the minimum pension (15 Mar 95, 31)

Agriculture

28 Feb 95 — Deputy Prime Minister Zaveryukha addresses Council on the state of the agro-industrial complex which he describes as grave; Zaveryukha encourages Council members to speed up the adoption of appropriate laws needed to resolve many of the problems (2 Mar 95, 23)

1 Mar 95 — Council signs appeal to Yeltsin to immediately support and encourage agrarian programs (21 Mar 95, 31)

8 Mar 95 — Council adopts a resolution permitting Chernomyrdin to reprimand any cabinet member who fails to comply with February's resolution to aid the

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farming sector with the 1995 sowing campaign; in addition the resolution calls on the government to provide sufficient financial aid and credits to this sector (10 Mar 95, 30; 15 Mar 95, 31)

25 Mar 95 — Duma rejects draft law "On Land Code" because of disagreement over its provisions dealing with division of lands into federal and municipal ownership and its moratorium and restrictions on land sales (29 Mar 95, 32)

RUSSIAN REGIONAL ISSUES

15 Mar 95 — Duma passes on first reading draft federal law prepared by a group headed by Deputy Muravyev (NRP) "On the General Principles of the Organization of Local Self-Government in the Russian Federation" (vote: 259-44) (21 Mar 95, 23; RIA, 16 Mar)

18, 20 Mar 95 — On 18 March Deputy Govorukhin (DPR), Chairman of Commission Investigating Chechnya, addresses Duma on history of the Chechen conflict, human rights abuses, amassing of weaponry, funding of Chechen leader Dudayev's activities; on 20 March

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session on Chechnya continues with additional presentations by Deputies Ponomarev (DPR) and Burlakov (LDPR) (20 Mar 95, 27; 21 Mar 95, 27; 23 Mar 95, 30)

MEDIA ISSUES

28 Feb 95 — Council rejects Duma decrees "On Television and Radio Broadcasting" and "On Changes and Amendments to the Decree on Mass Media" due to "unacceptability of several of its terms" (2 Mar 95, 23)

10 Mar 95 — Duma deputies support call of Deputy Zhirinovskiy (LDPR) to debate the nationalization of television and the establishment of parliamentary control over it (vote: 230-49, 2 abstentions) (10 Mar 95, 24; 13 Mar 95, 33); later on 10 March the Duma rejects a first reading of the proposal to nationalize (vote: 199 for) (13 Mar 95, 34; 14 Mar 95, 32)

10 Mar 95 — Duma passes on first reading a draft law proposed by Deputies Bukov (NRP), Chairman of Committee on Property, Privatization, Economic Activity; Isakov (Agrarian), Chairman of Committee on Legislation, Legal Reform, Human Rights; and Poltoranin (Russia's Choice), Chairman of Committee on Information Policy and Communications imposing a five-year moratorium on privatization of state television and radio broadcasting organizations (vote: 239-33, 4 abstentions) (13 Mar 95, 34)

15, 17 Mar 95 — Duma adopts proposal of Deputy Kalashnikov (LDPR), Chairman of Committee on Labor and Social Protection, to draft and adopt a law which suspends joint-stock status of public television (vote: 230-11, 5 abstentions) (15 Mar 95, 30); on 17 March Duma rejects including on the agenda a discussion of the law (17 Mar 95, 25)

22 Mar 95 — Council issues a decree rejecting the federal law "On Amendments and Additions to the Russian Federation Law 'On the Mass Media'" because some of its provisions are considered unacceptable- - no further explanation provided; Duma is requested to make certain changes in the federal law and to set up a conciliation commission (29 Mar 95, 31)

28 Mar 95 — Council approves federal laws "On the Ratification of the Charter and Convention of the International Electronic Communications Union" and "On the Ratification of the Fourth Additional Protocol to the Charter of the Universal Postal Union" adopted by the Duma on 24 February (31 Mar 95, 27)

Abbreviations:

CIS — Commonwealth of Independent States
CPRF — Communist Party of Russian Federation
DPR — Democratic Party of Russia LDPR — Liberal Democratic Party of Russia
NRP — New Regional Policy
RSFSR — Russian Soviet Federated Socialist Republic
U.S. — United States

Regional Affairs

Court Spurns Council's 'Secret' Chechnya Request

MK1105145695 Moscow MOSKOVSKIYE NOVOSTI in Russian 7-14 May 95 No 32, (Signed to press 10 May 95) p 6

[Report by Leonid Nikitinskiy under the "Case" rubric: "A Secret Request About a Secret Edict"]

[FBIS Translated Text] According to reports from the Constitutional Court, a request on examining the constitutionality of the presidential and government acts that initiated military operations in Chechnya, which was submitted by the Federation Council, for the time being cannot be considered by the Constitutional Court.

The reason is that the request was received as a secret document by the Constitutional Court's special department, not the regular reception office. Given that, Judge Gadis Gadzhiyev suggested that the Constitutional Court hold a "secret" meeting and make a decision that will be made public according to the established procedure in 50 years' time. Seriously speaking, however, the law on the Constitutional Court does not call for any secret requests. Judges are ready to contemplate holding a closed-door session if need be, but they unanimously oppose court hearings to consider any secret requests.

The Federation Council's document also has other technical shortcomings. It being secret, only one copy of the document was, naturally, sent to the Constitutional Court, while a total of 25 are required by law. Finally, the so-called secret edict issued by President Yeltsin on 30 November 1994, the full text of which was, as a matter of fact, published by the NOVOYE VREMYA magazine, was for some reason missing from documents attached to the request. These flaws entitled the Constitutional Court to turn down the request simply for technical reasons, but, according to our information, the court leadership chose to call the Federation Council leadership, as friends do, and recommend that it recall the document so as to resubmit it in normal form later.

The situation has been made particularly juicy by the fact that Isa Kostoyev, chairman of the Committee on Constitutional Legislation, which was directly in charge of drawing up the request, asserts that the committee and the deputies in general never even mentioned the

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idea of making it secret, while a text of the presidential edict was attached to it as it should be. Apparently, the classifying was done somewhere deep in the office of Vladimir Shumeyko, who signed the document.

Since we could not unearth any more precise information, two theories spring to mind. Either so peculiar a shape was given to the document by clerks from the special department just to be on the safe side, as is their bureaucratic wont, or... the scenario was calculated in advance and the request was fully deliberately given a form that ruled out its consideration by the Constitutional Court so as to drag out the procedure according to the well-known principle of "either the ass will die, or the shah will pass away."

In conclusion, let us remind our readers of an elementary and universally recognized provision, which, as a matter of fact, is set forth in the Russian Constitution (Article 15), whereby "secret, that is, not officially published enforceable enactments that affect the rights, freedoms, and obligations of man and citizen, have no legal effect whatsoever."

Chechnya Edict Secrecy Suggests Nostalgia

MM1205091595 Moscow IZVESTIYA in Russian 12 May 95 p 5

[Article by Yuriy Feofanov: "First a Secret Edict, Now a Secret Investigation?"]

[FBIS Translated Text] Let me remind you what this is about, although plenty has been written about it already. On 30 November 1994 the Russian Federation president issued an edict launching military operations in Chechnya. The edict was not marked "Secret," but it was not published officially, so therefore it is secret. That being so, it has no legal force, yet it came into force immediately and vigorously.

The Federation Council deputies do not have the text of the edict, yet they discuss it openly and, after an open ballot, adopt a petition to the Constitutional Court concerning the document's legality. However, the speaker of the chamber, who, incidentally, was in the chair when the chamber approved the petition, stamps the petition itself "Top Secret." The Constitution Court is perplexed: What do you do with a secret petition? Especially since the court chairman had not even been sent the text of the edict — it is still kept in Mr. Shumeyko's safe, and he is not letting it out.

You will agree that a downright irrational situation has arisen. The document apparently exists, everyone knows about it, they make it public, and at the same time it is if it did not exist, because it is being kept under seal. The Federation Council appeals to the court to give a legal assessment of the authorities' act, yet promptly deprives it of the opportunity to do so, because the law on the Constitutional Court makes no provision for secret proceedings. What is behind all this? Common stupidity? Brawn over brains? Or a calculated policy? I would like to believe the first explanation — it can happen to anyone. But stupid things happen spontaneously, and when they become apparent, people try to rectify them or at the very least they get embarrassed. If one obvious absurdity (the secret launch of a war that is shown on TV screens worldwide) is multiplied by another absurdity (a secret petition to an open court), the result is a madhouse. But all this is being done not by some irresponsible civil servant, but by parliament itself!

I met with Issa Kostoyev, chairman of the Federation Council Committee for Constitutional Legislation, and Vladimir Tumanov, chairman of the Constitutional Court. I asked them both the same question: What does all this mean? And neither of them could give me any answer except a shrug of the shoulders: There is no logic, no sense; if it is a calculated policy on someone's part, it is ridiculous.

There is one superficial explanation: to confuse the issue so much that the "Chechen question" does not reach the courts. While the legal red tape is being negotiated, time, like war itself, will settle everything. Well, that is a tried and tested tactic too. But something else cam be glimpsed behind all this: nostalgia for the days when the authorities were able both to issue secret laws and to hold secret trials. The objection may be raised: Given the present level of our democracy and glasnost, that is not possible, it is absurd. But it must not be forgotten that what moves the masses and makes history is not rational ideas, but absurd slogans. Unfortunately, there is plenty to suggest that in this respect not much has changed in our Fatherland. Believe me, the principle "it must be true, because it's ridiculous" cannot fail, as long as the authorities are not accountable for their actions either to the people or to the court.

Further Reportage on Situation in Chechnya

Duma Deputies Deny Excesses in Samashki

LD1105220195 Moscow ITAR-TASS World Service in Russian 1528 GMT 11 May 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 11 May — Representatives of the State Duma defense committee, who recently visited Chechnya, found nothing to corroborate the statements made by State Duma deputy Anatoliy

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Shabad about events in the village of Samashki. This was stated today by one of Shabad's colleagues, the deputy Yevgeniy Loginov, who as part of a parliamentary delegation visited military units in the territory of the Chechen Republic.

Addressing a news conference in Moscow on 13 April, Shabad had said that what occurred in the Chechen village of Samashki on 7 and 8 April had been "a large-scale punitive operation aimed at intimidating the Chechen population." Citing eyewitnesses he claimed that federal servicemen had burst into houses, thrown grenades into basements where civilians were hiding, and shot dead the men whatever their age.

"State Duma deputy Anatoliy Shabad is engaged in discrediting the Russian Army," Loginov stated in this connection.

The group of deputies who visited Chechnya has intended to set out their report at tomorrow's plenary sitting of the chamber. However the matter had not been included on the agenda. There were just 10 votes too few.

Dudayev Orders 'Elimination' of Grachev

LD1105130295 Moscow 2x2 Television in Russian 1200 GMT 11 May 95

[FBIS Translated Text] Dzhokhar Dudayev has ordered Chechen militants to eliminate Russian Defense Minister Pavel Grachev. Dudayev accuses Grachev of violating accords reached during the private meeting of the two generals in December 1994, a source in the Russian Defense Ministry told the Russian Information Agency.

According to the source, there is information that an attempt is to be made on Grachev during his upcoming visit to Chechnya, in the vicinity of Khankala Airport, by a group of eight specially trained terrorists.

Eight Killed in Air Strikes

LD1105170795 Moscow INTERFAX in English 1319 GMT 11 May 95

[FBIS Transcribed Text] MOSCOW, May 11 (Interfax) — According to preliminary information, eight people were killed and 12 wounded as a result of rocket and bomb strikes of the Russian aviation against villages of the republic's five regions. Movladi Udugov who reported this in a telephone interview with Interfax (he occupied the post of Press Minister in Dudayev's government — Interfax) asserted that all the victims are civilians.

In his words, the villages of the Vedenskiy, Nozhay-Yurtovskiy, and Shatoysky regions (mountainous regions in the republic's south — Interfax) were, in particular, subjected to rocket and bomb strikes at 9:45 Moscow time.

Meanwhile, in an interview with Interfax a top-ranking representative of the Air Forces Staff refuted information of the Chechen sources. "On Thursday the federal aviation has not inflicted strikes against fighters' positions situated in the populated centers," he declared.

Representatives of the command of the federal troops in Chechnya repeatedly declared that during the cease-fire in Chechnya (from April 28) the Russian forces inflicted only counter-strikes against fighters' positions.

Speaking about the actions of the Chechen party in an exclusive interview with Interfax Thursday Colonel General Mikhail Yegorov, who heads the Joint Group of the federal forces in Chechnya, reported that since the introduction of the cease-fire illegal armed formations have fired on positions of the federal forces 178 times.

Dudayev Spokesman Reports Attacks

LD1205055095 Moscow Radiostantsiya Ekho Moskvy in Russian 0400 GMT 12 May 95

[FBIS Translated Text] Dzhokhar Dudayev has yet again announced his willingness to enter talks with the Russian authorities. His statement stresses that he is ready to consider any realistic proposals from Moscow on ending the conflict in Chechnya and to put forward his own. True, in the same interview Dzhokhar Dudayev did accuse the Russian Army of using outlawed weapons. The head of Dudayev's press service, Movladi Udugov, told us that Russian aircraft launched a powerful strike against a number of built-up areas an hour and a half before the moratorium expired.

[Begin Udugov recording] Positions of the armed forces of the Chechen Republic in the Gudermes and Shali districts were also subjected to strikes. Concentrated artillery fire and air attacks are continuing against populated areas in the Chechen Republic in the south and in the southeast as well as against the positions of the armed forces of the Chechen Republic. Russian forces are using Grad launchers, Uragan rocket complexes, and also heavy howitzers and self-propelled guns, tanks, and infantry fighting vehicles. There is considerable damage and loss of life. [end recording]

Yeltsin's Moratorium Expires

LD1205053295 Moscow ITAR-TASS in English 0441 GMT 12 May 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, May 12 (Itar-Tass) — The moratorium on the use of armed forces in

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Chechnya imposed by the Russian President's decree on April 28 expired this past midnight.

A spokesman for the information department of the Russian Defence Ministry in Grozny, Colonel Nikolay Shulgin told Itar-Tass that throughout the period, the Federal forces which complied with the President's edict repeatedly came under fire from the rebels.

According to the spokesman, the Ministry registered 149 cases of violation of the moratorium.

Colonel Shulgin said the unilateral moratorium was used by the illegal armed forces to regroup, fortify their positions, deliver arms and ammunition and reinforce their groups with mercenaries.

Not a day passed without Federal forces coming under fire from ambushes and dwelling houses in residential centres which the rebels had turned into their strongholds.

The Federal forces suffered losses also during the moratorium: according to Russian Defence Minister, Army General Pavel Grachev, the combined Federal forces had lost eight men by May 6. Twenty- five men were wounded.

The latest information about the toll reached Itar-Tass on the last day of the moratorium: since the beginning of armed hostilities in Chechnya five months ago, 1,375 men were killed, 3,872 people were wounded, and 245 servicemen are missing.

The fate of the Russian servicemen captured by the rebels is causing alarm. At present 86 men are held by the rebels, and they have not been exchanged for captured rebels because the field commanders demand that people be returned who are listed by Federal authorities as criminals.

It is to be regretted that a moratorium did not become a period for the rebels to review their positions. The regrouping of forces will probably help Dzhokhar Dudayev and his Chief-of-Staff Aslan Maskhadov to continue combat actions in Chechnya but it is clear that the senseless resistance in the lost armed confrontation is only capable of inflicting additional suffering on the people of Chechnya.

The way out of the critical situation consists not in the withdrawal of the Federal forces from Chechnya as demanded unconditionally by the rebels. Many renowned experts point out that this course of events would be catastrophic for Chechnya as it would trigger endless bloody strife and squaring of accounts among the Chechens — both among those who are allied today and among those who oppose each other at present.

The sober-minded Chechens would do good to recall the example of their national hero, Imam Shamil who did not think it below his dignity to lay down his sabre at the foot of the Russian soldier in order to save his nation.

No Cease-Fire Extension Instructions

LD1105155095 Moscow ITAR-TASS in English 1504 GMT 11 May 95

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, May 11 (Itar-Tass) — The Russian Defence and Interior ministries have not so far received any documents or instructions from the country leadership to extend a ceasefire in Chechnya. The moratorium on combat operations in the conflict zone was declared by Russian President Boris Yeltsin on April 28 to last for the period of V-Day celebrations and expire on Thursday midnight.

Sources at the staff of Russian first vice-premier Oleg Soskovets, who is head of a federal commission for restoring Chechnya's economy, also failed to specify whether the moratorium would be prolonged after May 10.

Transport, Supplies Being Reestablished

LD1205095895 Moscow ITAR-TASS in English 0918 GMT 12 May 95

[By Oleg Velichko]

[FBIS Transcribed Text] MOSCOW May 12 (Itar-Tass) — The direct air service between Moscow and Groznyy will be restarted end-May of 1995, Itar-Tass was told by Yuriy Mikhailov, chief of an information and analysis group of the state commission for economic and social rehabilitation of Chechnya. Flights between Grozny and Rostov-on-Don have been resumed by now.

The Russian Railway Ministry said train traffic had been reestablished between Groznyy and Moscow, Groznyy and Dagestan's capital Makhachkala, and Groznyy and Mineralnye Vody.

Mikhailov said 380 million roubles had been sent to Chechnya to be paid as aid to World War II veterans by the 50th anniversary of the victory.

Some four billion roubles has been paid to Chechnya's population in delayed wages and 17.4 billion in pensions.

Chechnya is finishing the planting season — 100 of 135 hectares has been sewn, after clearing 17,000 mines and shells from the fields.

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Chechnya is now getting an adequate daily supply of 163 tonnes of bread, with 63 tonnes baked in Groznyy.

Water supply has been reestablished too, with a daily 50 litres provided per capita.

Gas is normally supplied to 80 percent of Chechnya's territory.

Sixty percent of Grozny's territory has been cleared from rumble.

Four hospitals, seven outpatient clinics and 119 schools have resumed work.

Regular Train Traffic Restored

LD1105185195 Moscow ITAR-TASS in English 1728 GMT 11 May 95

[By Igor Ivantsov]

[FBIS Transcribed Text] MOSCOW May 11 (Itar-Tass) — Regular train traffic has been reestablished between the capital of Chechnya Groznyy and Moscow.

The first fast train came to Moscow's Kazanskiy terminal at 10:27 [0627 GMT] today.

The train, previously known as Terek train No. 87, tripped between Groznyy and Moscow until September 1994.

The train's crew chief Omar Saipov said the trip to Moscow was uneventful.

The train carried a police team, which, Saipov said, was an ordinary practice on Russian railways.

The train brought to Moscow 137 passengers, 47 of which embarked on the train in Groznyy.

"This is a fairly good result for the first trip," Saipov said, adding that many people do not know so far that the traffic was resumed.

Only civilians went in the train.

The 11-car train has one sleeping car which was empty, however. It appears the price of a sleeping car seat, 267,000 roubles, was a deterrent. The price of a ticket in a reserved seat car is 87,000 roubles.

The train left Moscow for Groznyy at 15:44 today.

It will shuttle between Groznyy and Moscow on even dates of the week beginning from May 15.

According to the Russian Railway Ministry, traffic has been reestablished between Groznyy and Dagestan's capital Makhachkala, and Groznyy and Mineralnyye Vody.

Federal Budget Funds for Murmansk

954F2243B Murmansk MURMANSKIY VESTNIK in Russian 12 Apr 95 p 1

[Article by N. Demin: "Murmansk Lines in the Federal Budget"]

[FBIS Translated Text] The 7 April 1995 issue of ROSSIYSKAYA GAZETA published the Federal Law on the 1995 Federal Budget, a document that has involved lengthy, months-long debate in the parliament and other structures of authority. The law was adopted by the State Duma on 15 March, approved by the Federation Council on 23 March, and signed by Russian Federation President B. Yeltsin on 31 March.

We have to assume that Duma and oblast administration leaders will provide northerners a detailed explanation of this extremely important law, especially in that portion affecting the interests of the Murmansk region. There are a great many changes here, including in the procedure for financing the shipment of production output (commodities) to regions of the Far North. In the meantime, we will provide the reader certain budget figures which have a Murmansk orientation.

Article 29 of the law stipulates the 1995 share each entity of Russia has in the Federal Fund for Financial Support of Russian Federation Entities. Total fund outlays come to R14.858100 trillion. Proceeding from the Murmansk Oblast share, determined as 0.6985 percent, we arrive at the amount of federal assistance: R103.784 billion. Not much, we have to say.

Funds are allocated from the federal budget to closed administrative-territorial formations to finance expenditures not provided for by their own financial resources. Murmansk Oblast has four such areas, Ministry of Defense facilities: The city of Snezhnogorsk will receive R42.008 billion this year, Skalistyy— R45.500 billion, Ostrovnoy—R28.493 billion, and Zaozersk—R23.988 billion.

Grants and subsidies are distributed to Russian entities for development and maintenance of the public road network. As we know, these come from assets of the Federal Road Fund. Some R29.400 billion is planned for Murmansk Oblast.

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Murmansk Oblast Production Volume Down

954F2243A Murmansk MURMANSKIY VESTNIK in Russian 5 Apr 95 p 5

[Report prepared from Murmansk Oblast Committee on Statistics data by N. Krol: "Producing and Purchasing Less"]

[FBIS Translated Text] According to data from the Murmansk Oblast Committee on Statistics, the total volume of industrial production in January-February decreased 8.4 percent from the level of January-February last year. Large and mid-size enterprises accounted for 90 percent of the industrial production output and accomplished work and services in the amount of 1.4 trillion rubles [R].

The production of consumer goods was reduced 46 percent.

At sovkhozes, kolkhozes, and other farms with collective form of ownership, 2,600 tonnes of livestock and poultry were sold for slaughter in January-February of this year—27 percent less than in January-February of last year. The egg yield was 20 percent less.

Expert assessments show that over the first two months of this year, products costing R586.6 billion were sold to the oblast populace through all marketing channels. This is 18 percent less than the level for the same period last year.

Freight shipment volumes decreased 9 percent, passenger transportation volumes—14 percent.

Communications enterprises provided services totalling R21.5 billion to various organizations in January-February 1995. In current prices, this is 5.1 (for organizations) and 3.7 (for the populace) times greater than during the same period last year.

Production output valued at $132 million was delivered for export. Some 55 percent of this volume is attributable to the export of nonferrous metals, 17 percent—to the sale of fish, and 11 percent—to apatite concentrate.

The leading trading partners of our suppliers were the Netherlands, Switzerland, and Norway.

Over the first two months of this year, the oblast population earned R684.7 billion in monetary income. This is 1.7 times the amount earned during the same period last year. Per capita income in February 1995 amounted to R303,000.

As of 1 March, there were 27,700 able-bodied citizens unemployed, seeking work, and listed on the job-placement register. The number of people employed in the oblast economy decreased by 1.2 percent from the December 1994 level, and in January of this year totalled 344,000.

Paper Denounced for Criticizing Ulyanovsk Administration

954F2263A Moscow MOSKOVSKIYE NOVOSTI in Russian 23-30 Apr 95 No 29, p 14

[Report by ZAKON magazine correspondent Yakov Shestopal under the rubric "Conflict": "How an Obstinate Newspaper Was Tamed"]

[FBIS Translated Text] The SIMBIRSKIY KURYER newspaper dares to criticize the Ulyanovsk Oblast administration. For this, the newspaper has to pay a price.

A year ago litigation was started against the unloved baby. Mr. Lipin, chief of the oblast administration's press and information department, decided that SIMBIRSKIY KURYER had received from the budget 19 million rubles it was not entitled to. A three-week audit in November 1993 came to the conclusion that this amount had been improperly charged to publishing costs.

Mr. Lipin filed a claim with the Ulyanovsk Oblast arbitration court. The court handed down a ruling to dismiss the case. Nevertheless, Mr. Lipin repeated his claim verbatim and once again filed it with the arbitration court.

Judging by all the signs, the arbitration court figured out not only the contrived nature of the charges but also the unseemly underpinnings of the litigation. At another review of the case on 8 November 1994 the following opinion was issued: "The court finds that the audit report on the respondent's financial and economic activities does not reflect the real circumstances of the latter's disposal of budget means." An unequivocal conclusion. And one would think that the court would end it at that. But, as if not trusting its own boldness (or not being fully aware of its independence), it decided to call for another audit...

Meanwhile, the newspaper has been living through a nerve-wracking experience for a year. A year of protracted court litigation. And a year of the local authorities attempting to show who is boss.

Economic Issues

Regulations Precluding Nuclear Weapons Export

MM1105125795 Moscow ROSSIYSKIYE VESTI in Russian 11 May 95 p 3

[Article by Rustam Safaraliyev, deputy leader of the Russian Federal Service for Currency and Export Con-

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trol and executive secretary of Russia's Eksportkontrol: "Reliable Barriers on Path of 'Leakage' of Secrets Erected by Export Control Service"]

[FBIS Translated Text] The regulation of the export of materials, equipment, and technologies with a dual application combines the openness of the economy with the requirements of national security and international commitments. That applies primarily to weapons of mass destruction.

The escape of nuclear and other similar types of weapons, delivery vehicles for them, and state of the art military technologies presents a direct threat not only to international stability but also to the Russian Federation's vitally important interests. After all, the majority of existing and potential hotbeds of tension are in the immediate vicinity of our borders. Particularly worrying is the fact that countries anxious to possess these weapons want not so much to acquire them as to create their own production facilities for them.

Do we have an instrument enabling us to place an obstacle on the path of the leaking abroad of individual types of raw and semifinished materials, equipment, technologies, scientific and technical information, and services which could be used when creating weapons and military equipment? Yes, we do. It is export control. In our country it extends to all types of foreign economic activity and is not of a prohibitory nature. Its aim is not to encroach on the rights of any country or group of states for ideological or political reasons. The exception is the sanctions decided by the UN Security Council. By an edict of President Boris Yeltsin a system of export control meeting all international standards has been created and is operating in our country.

The unified general state policy in this field and the coordination and organizational-methodological leadership is implemented by the Russian Federation Government Commission for Export Control (Russia's Eksportkontrol). It includes the leaders or deputy leaders of key ministries and departments like the Foreign Ministry, the Defense Ministry, the State Committee for the Defense Industry, the Russian Federal Service for Currency and Export Control, the Ministry of Foreign Economic Relations, the Foreign Intelligence Service, the Federal Security Service, and others. The commission's chairman is First Vice Premier Oleg Soskovets. This composition ensures the priority of general state interests over narrow departmental or corporate interests when decisions are made. The effectiveness of the system of export control rose after the government adopted, in August 1994, a decree which expanded the functions of the Russian Federal Service for Currency and Export Control.

The president has approved lists and catalogues of controlled goods and services and the government has approved a statute on the procedure for controlling their export. The entire system's work is based on a licensing procedure. That means that the exporter must have a license and customs documents for goods and services. Licensing is in the hands of the Ministry of Foreign Economic Relations.

To obtain a license it is essential to have Eksportkontrol findings on the possibility of exporting a commodity or service. These findings are prepared by specialists from the Russian Federal Service for Currency and Export Control: A comprehensive analysis and careful interdepartmental study of all the necessary documents and circumstances connected with the specific export deal are carried out. Positive findings can, moreover, be issued when the importer has undertaken to use goods exclusively for the stated purpose: Goods should not be directly or indirectly connected with the development and creation of weapons of mass destruction or delivery vehicles for them. The purchaser does not have the right to re-export these goods to third countries either.

This requirement when selling goods and services of dual application is an internationally recognized norm. In our country these guarantees were introduced in 1994 and include procedures for drawing up a Russian import certificate, a certificate confirming delivery, and a certificate of end use.

The system operating in our country makes it possible to intercept unsanctioned export, including the attempts by some foreign firms, on the pretext of implementing programs for cooperation in the field of conversion, to use Russian science and technology to the detriment of Russia's national security. It also places responsibility on Russian enterprises from the viewpoint of observing state interests. Of course different countries' national systems of export control should have requirements and mechanisms for their functioning based on general guiding principles and procedures for control. Cooperation in this field should be of an equitable, partnership nature without any encroachment on individual countries' interests.

Dialogue with leading Western countries on Russia's participation in the formation of a new multilateral structure for export control created on the basis of the now abolished Coordinating Committee for Multilateral Export Controls. The main obstacle here is the special position of the United States and several other countries with regard to Russia's military-technical cooperation with Iran.

We cannot improve our system of export control without developing legislation and bringing it into line with uni-

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versally accepted principles and norms of international law and international standards in this field. What is needed above all is the development and adoption of an export control law. It should lay its legal foundations, enshrine aims and tasks and the organizational structure of the system, which should include giving legislative shape to the rights, commitments, and responsibility of organs of state power and economic players in observing the rules and procedures of export control. Work on the draft of this law has already begun.

There is hardly any need to prove the importance of the activity of the export control system to the country. It graphically demonstrates to the whole world the Russian Federation's loyalty to its political statements regarding the intolerability of the proliferation of weapons of mass destruction and their use. Moreover, Russia cannot join the world division of labor on equal terms without taking part in international export control organizations and regimes. Or else Russia's access to leading markets for technologies could be substantially restricted.

Government Approves Oil Credit Project

MK1105152395 Moscow KOMMERSANT-DAILY in Russian 11 May 95 p 3

[Report by Vadim Bardin under the "The Government Has Approved the 'Oil-Credit' Deal" rubric: "The Government Intends Both To Receive Credit and Be Good for the Budget"]

[FBIS Translated Text] A new important precedent has been set in the practice of attracting new credits by the Russian Government. The "Balkar-Trading" joint venture (JV) is going to pay for an untied credit to be used by the government. The deal, which will consist of the sale of 25 million tonnes of oil during five years in exchange for $1 billion, has been approved by a governmental decree. At the same time, a Russian oil loan is going to be placed in the West — without any guarantees from the government.

The liquidation of the special exporters' institution, as one could expect, has awakened the creative activity of former monopolists. This applies, incidentally, both to the lobbying of traditional trends in their activities — for instance, the exchange of oil for unrefined sugar, in which, of the former special oil exporters, the "Alfa-Eko" joint-stock company is especially interested (the corresponding Russian-Cuban protocol has already been signed) — and to the development of new, primarily financial, markets. Specifically, the "Sintez" joint-stock company, a former special exporter of oil products, has become a co-founder of a Russian-Swiss bank (United City-Bank). As for the "Balkar-Trading" JV, it has managed to combine both variants. The government has approved its project of exchanging oil for credit (the project is co-authored by the American company Mobil Oil). There are two key elements in the proposed scheme.

First, the government guarantees "Balkar-Trading" that its export oil deliveries are included in the pumping schedule for the period from 1995 until 1999 (5 million tonnes annually). For "Balkar-Trading" this is of primary importance. The problem is that, like all of the traders, in 1995 the JV has been confronted with uncertain prospects regarding access to the main export pipelines. "The pipe" is controlled by the Fuel and Energy Ministry, which does not hide its preferences in regulating the queue — the priority is given to oil-extracting enterprises. Now the government has given the green light to the "Balkar-Trading" JV. It is clear, that, in this way, "Balkar-Trading" is receiving a certain room for maneuver, the more so since — within the framework of the approved deal — the oil buyer will be Mobil Oil, which since last year has been acting as a mediator for "Balkar-Trading's" oil deliveries to the West.

Second, for the government it is of fundamental importance that, having received credit for $1 billion, it does not assume upon itself any financial guarantees to redeem the oil loan. It is oil deliveries that serve as guarantees. In addition, hard currency, received by the "Balkar-Trading" JV under the contract with Mobil Oil, is placed into the Finance Ministry's special account as an untied credit. The credit is planned to be redeemed at the expense of an oil-funded loan to be placed in the West. This part of the project is to be implemented by the Nomura International Securities company, which is well known in world financial markets.

For the time being, the deal's design can be regarded as exemplary: The government is to receive credit, not tied with any obligations. The budget is to acquire revenues from export duties — by the Finance Ministry's estimates, they amount to $500 million in five years (these estimates are obviously conditional, since it has been promised that export duties are to be gradually downsized and finally totally abolished). Oil producers will be paid by the "Balkar-Trading" JV, which — in addition to having secured access to the "pipe" — is to profit from the differences in domestic and world prices and can make use of the time lag between actual payment and the placement of hard currency into the Finance Ministry's special account, to say nothing about traditional commission. True, there are real prospects of "Balkar-Trading" becoming a Mobil Oil subsidiary, but this probably suits both parties. Nomura International Securities — which is certainly counting on a favorable

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quotation of oil bonds — probably will not lose the opportunity to gain its share, too.

Cabinet Meeting Adjusts Budget, Eyes Social Funds

MK1205112695 Moscow KOMMERSANT-DAILY in Russian 12 May 95 p 3

[Report by Vladislav Borodulin under the "Government Meeting" rubric: "The 1995 Budget Remained Unchanged for Just Seven Days"]

[FBIS Translated Text] Yesterday's government meeting, which appeared quite ordinary at first glance, can be safely included among those few meetings at which the consideration of specific matters spontaneously evolves into a discussion on general economic subjects. This is approximately what happened yesterday to the discussion of reports on the implementation of budgets of state extra-budgetary funds and a bill on national-cultural autonomy.

Two days ago nothing augured such an outcome of a regular government meeting. Moreover, after its agenda was officially published, one could suggest that the key item on it would be a matter with a somewhat frightening title — on making amendments and additions to the federal budget. The Finance Ministry was swift to explain through its press service, however, that the issue is planned budget maneuvers — submission to the parliament of the federal budget's quarterly breakdown and amendments to it that had been envisaged back when the budget was approved by the Federation Council (an increase in subsidies for Tuva and Dagestan and the allocation of funds among ministries to pay increased wages). This is what actually happened — each amendment will be presented to the parliament as a separate bill. The very fact of adjusting the budget just two month after its adoption, however, does not testify to the superstability of the authorities' financial policy. Finance Minister Vladimir Panskov said that the quarterly breakdown calls for "the low level of the budget deficit to be maintained up to the fourth quarter, after which it will rise considerably (without exceeding the established annual limit, however)." In order to generate the greatest possible demand for state securities precisely in the last quarter of the year, the Finance Ministry "is currently keeping the market for state treasury bonds down artificially," Panskov said. In addition, the attainment of these objectives will be aided by the issuance of new state obligations and the peak of deficit financing from outside sources which falls in the last quarter.

As for the discussion of the problem of state social funds, lurking behind their technically quite cheerful financial positions (they all finished last year with a preficit [as published]) there are a number of problems the settlement of which should start "not even the day after tomorrow," according to Anatoliy Chubays, who chaired the meeting (the premier and Oleg Soskovets, who marked his 46th birthday yesterday, had talks with foreign delegations). The issue is first of all the restoration of government control over the operation of these funds. The scale of their operations — the earnings of four funds [the Pension Fund, the Social Insurance Fund, the Mandatory Medical Insurance Federal Fund, and the Federal Employment Service Fund] put together reached over 50 trillion rubles in 1994 or about 40 percent of the federal budget revenue — are absolutely inadequate to the existing degree of control. Moreover, in the government's view, a mechanism for collecting social payments should also be changed — since these are essentially taxes, it would be logical to task the State Tax Service with collecting them. Among other things, this would help significantly to cut the funds' own staff costs, which soared to about 1 trillion rubles last year. These and other similar "technical" problems (for instance, the creation of oversight councils at the funds) are to be resolved by a specially created working group within one month. The government stopped short, however, of making decisions on strategically important matters, such as the proposals for merging all funds and carrying out a fundamental overhaul of the social insurance system that were voiced during the meeting yesterday.

The cabinet members were even more cautious about the bill drawn up by the Nationalities Ministry "On National-Cultural Autonomy" (They sent the bill back for finalization without setting specific time limits or declaring the traditional and absolutely token "approval in general"), which was absolutely justified, however. Resuming public discussions on the subject of "the right of nations to self-determination" in the current political situation would be exceptionally unpropitious.

Government Approves Federal Budget Amendments

LD1105184195 Moscow ITAR-TASS in English 1724 GMT 11 May 95

[By Gennadiy Yezhov and Andrey Serov]

[FBIS Transcribed Text] MOSCOW, May 11 (Itar-Tass) — The Russian Government approved on Thursday a draft federal law on amending the federal budget for 1995. The draft provides for breaking down the budget revenues and federal spending on a quarterly basis. The document was prepared on instructions of the Russian lower house.

Russian First Vice-Premier Anatoliy Chubays stressed at Thursday's session that the move was in no way

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intended to revise the budget for this year. Although the cabinet plans to consider certain corrections in the defence ministry budget, as well as additional financing of Russia's Tuva and Dagestan autonomies, all these measures will be carried out in compliance with the established budget, he said.

According to Chubays, the Federation Council (the upper house) had earlier instructed the cabinet to earmark additional funds to Mongolia-bordering Tuva and Dagestan, a Caspian-shore autonomy located in the eastern part of the Caucasus. It was Chubays' suggestion that the issue should be considered separately from that of the budget quarterly division, in order "not to tempt lawmakers to amend other budget items on the eve of next parliament elections", as the first vice-premier put it.

Yeltsin Signs Law Restoring Value of Savings

MK1105122795 Moscow SEGODNYA in Russian 11 May 95 p 1

[Unattributed report: "Law on Restoring Russian Federation Citizens' Savings Signed"]

[FBIS Translated Text] Boris Yeltsin has signed the law "On Restoring and Protecting the Savings of Citizens of the Russian Federation." In accordance with this document, the state, in particular, guarantees the restoration and protection of the value of citizens' monetary savings deposited before 20 June 1991 in the Russian Federation Savings Bank. The value of savings will be determined based on the purchasing power they had when deposited. The restoration and protection of the value of citizens' savings, declared a state internal debt, will be accomplished by transforming them into Russian Federation special-purpose promissory notes, which constitute state securities.

Government Measures Explained

LD1105175195 Moscow INTERFAX in English 1319 GMT 11 May 95

[FBIS Transcribed Text] MOSCOW, May 11 (Interfax) — The presidential administration and the government are developing measures intended to compensate the negative influence of the decree "On Restoration and Protection of Citizens' Savings" on the economy, presidential aide Aleksandr Livshits declared at a press conference in Moscow Thursday.

In his words, "very soon these measures will be made public."

As Livshitz said, having issued this decree on May 10 President Boris Yeltsin fulfilled his constitutional duty. After on May 4 the Federation Council surmounted the presidential veto, Article 107, Item 3 of the Constitution of the Russian Federation went into force. In accordance with the article if two-thirds of votes overcome the veto then the president is given seven days to sign the decree.

According to Livshitz, "of course, it is necessary to return citizens' savings. However, there is one question — how and when?" He pointed out that the adopted decree can undermine the process of developing the 1996 budget. According to the Finance Minister, the price of this decree's execution amounts to 500 trillion rubles — a bit less than three 1995 federal budgets.

"If we do not pay to the defense complex, miners, and anybody else three years running only then it will be possible to implement it in full scale," Livshits said. In his opinion, "the government was too slow in solving the issue on restoration of the citizens' saving bordering with the opinion that the problem will disappear by itself."

Livshits expressed concern that the parliament can adopt the decree which obliges the government to clear the discrepancy between the level of wages of the majority of the population and the subsistence minimum. "If this occurs then the matter will concern not 500 trillion rubles but quadrillion rubles," he said.

Yeltsin Signs Decree on Privatization Revenues

LD1105112295 Moscow INTERFAX in English 1015 GMT 11 May 95

[FBIS Transcribed Text] MOSCOW, May 11 (Interfax) — Russian President Boris Yeltsin has signed a decree "On Measures to Guarantee Privatization Revenues for the Federal Budget," Aleksandr Livshitz, a presidential adviser, announced at a news conference in Moscow Thursday.

According to him, the document forbids the beforehand sale of the federal packages of shares of the enterprises, crucial to the country's security. The government is given one month to endorse the list of such strategic facilities. The decree instructs the cabinet to form a commission to ensure revenues for the federal budget from privatization.

Livshitz described as an extremely important point in the decree the provision that the land of privatized enterprises could be sold, and its buyers could be exclusively privatized enterprises themselves. That, Livshitz believes, will stimulate investment. The normative price of land equals 10 rents.

A total of 87 percent of revenues will go to regional and local budgets. Within one month, the government is to work out the procedure of drawing up special commitments, fixing the federal budget debt to enterprises.

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Thus, enterprises will be able to buy land at the state debt expense.

The decree authorizes the State Property Committee and the Federal Commission on Securities and Stock Market to devise a mechanism that would allow to sell part of the federal stock on the international stock market.

Within two months, the government is to draft a presidential decree on trust funds.

As Livshitz reported, the document envisages new terms for distributing revenues from the sale of the stock of privatized enterprises, having no strategic importance: 55% will go to the federal budget, the remainder to republican, regional, and local budgets, and to the budgets of enterprises. The initial price cannot be lower than that fixed by a federal commission.

Davydov on Dropping Preferential Tariffs

LD1105152495 Moscow ITAR-TASS in English 1355 GMT 11 May 95

[By Irina Bolshova]

[FBIS Transcribed Text] Moscow May 11 (Itar-Tass) — The Russian President's decision on dropping preferential tariffs in the foreign economic area will result in the addition of over two billion dollars to the state budget. The decision goes into effect from May 15. Oleg Davydov, Russian Deputy Premier, said this to Itar-Tass.

Davydov believes that the dropping of preferential tariffs will have a favourable effect on Russia's development of foreign trade. "There must be equal conditions for all participants in the competition struggle at the market", Davydov said. "There is no doubt that many public organisations are in need of the assistance of the state. But this assistance must not boil down to preferential treatment in the area of foreign economic activities. All the funds from these activities must go to the budget and be used for the implementation of social programmes for the entire population.

Davydov believes that exception can be made only for the Kaliningrad region which is the only territory outside Russia's common border and should therefore have a special status.

"We have announced the creation of a free trade zone in the Kaliningrad region", he said. "Additional investments should be attracted there. Therefore benefits should not be abrogated. Many companies decided to develop cooperation with the region to get certain advantages. Apparently, it would be expedient to adopt a special law for the region or to grant privileges not to specific companies, but to the region as a whole. This should be envisaged by the law on free economic zones".

New Law Allows Bank of Russia To Sell Shares

MM1205085695 Moscow IZVESTIYA in Russian 11 May 95 p 1

[Article by Ivan Zhagel: "The Savings Bank Could Be Sold, But the State Committee for the Management of State Property Promises To Protect the Interests of the Millions of Savers"]

[FBIS Translated Text] By ratifying with his signature the other day the new version of the Law "On the Central Bank of the Russian Federation" the Russian president put an end to the long, drawn-out dispute between the State Duma and the Federation Council, which had been completely unable to agree this document.

The president's decisive move seems fully justified, as many experts regard the law as a considerable achievement. However, it does contain a number of dangerous elements which could cause catastrophic upheavals in the whole Russian economy.

The — at first glance — fully justified provision of the new law that "The Bank of Russia cannot hold a stake in the capital of other banks..." and must sell its shares in commercial credit institutions by 1 January 1996" could be so categorized. It is well known that the Central Bank's stake in the incorporation capital of two of the country's biggest banks — the Foreign Trade Bank of Russia and the Bank for Labor Savings and Credit for the Population (Savings Bank) — is respectively 96.8 and 51 percent. This comes to much more than $0.5 billion, and if the shares belonging to the Bank of Russia are launched on to the market in the current year this will wreck the whole industrial privatization program. Russian investors simply won't have enough money for the privatization of the banks and the purchase of other facilities.

The atmosphere has been further charged by the fact that the sale of the state's share stake in the Savings Bank has caused anxiety to millions of ordinary depositors. As of today, 62 percent of all private deposits are kept in the Savings Bank, and while they were protected, as it were, by the state before, this safeguard must now effectively have been removed. Moreover, the Savings Bank has assumed functions which are important for the whole country — the transfer of pensions and payments for municipal services — and the new owners will scarcely want to get involved in this, which will also have serious consequences in the very near future.

In short, the president's signing of the law on the Central Bank has generated a host of problems. At

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the general meeting of the Savings Bank's shareholders which has just been held, therefore, Sergey Belyayev, chairman of the State Committee for the Management of State Property [Goskomimushchestvo], sought to alleviate the situation. He stated that the Central Bank's share stake in commercial banks would be transferred to his department and that there would be no large-scale issuing of shares onto the market for the time being.

Former Central Bank Chairman Viktor Gerashchenko, who has been and remains for the time being chairman of the Savings Bank Supervisory Council, made clear with heavy irony at the meeting that the shares would not simply be transferred to Goskomimushchestvo but would be bought by it. Such a clarification was highly significant because the Central Bank's deposits in other credit institutions have been taken into consideration in the Central Bank's statement of assets and liabilities as confirmed by well-known foreign auditing firms. And simply to write this money off would be an altogether Bolshevik way of doing things.

Belyayev confirmed that yes, Goskomimushchestvo will not simply be acquiring the shares but will actually buy them. However, he immediately realized the danger of his statement and immediately began to justify himself, saying that budget money would be used for the purchase. "But what budget money?" — he was immediately asked. "You will learn that in time," Belyayev said significantly.

It turns out that Goskomimushchestvo has or can promptly obtain more than $0.5 billion! And no one knew this. However, another suggestion is more likely: Namely that Goskomimushchestvo is preparing some sort of unorthodox decision on the sale of the Central Bank's stake in the Foreign Trade Bank of Russia and the Savings. The plan for a consortium of banks prepared to grant large loans to the government against the security of shares in the enterprises could be employed. And they could also transfer the shares belonging to the Central Bank to a temporary administration and use them as security rather than selling them. That is where the money will come from.

If that is so, then it is clear why Goskomimushchestvo has been silent to date: It is a very delicate matter being in charge of shares in the country's biggest and best banks — such tidbits have not yet been put onto the market in our country. Certainly a complex behind-the-scenes operation is now under way, which will soon shake both the mass media and the whole of society. Here, as has now become customary in our country, Goskomimushchestvo will find it difficult to avoid charges of corruption.

However, let us not guess. As Belyayev said, Goskomimushchestvo will publish its plan for the privatization of the state's stakes in commercial banks within a month. He also assured people that this plan will rule out the possibility of controlling blocks of shares in the Savings Bank being taken over by individual financial groups and that state control over the bank will be retained.

Ministry Supports Commercial Banks' Proposal

LD1105182795 Moscow INTERFAX in English 1544 GMT 11 May 95

[FBIS Transcribed Text] MOSCOW, May 11 (FIA-Interfax) — The Russian Finance Ministry supports, though with some reservations, the proposal of the consortium of Russian commercial banks on transferring under their management government-owned shares of privatized enterprises in exchange for a 9-trillion-ruble credit.

Finance Minister Vladimir Panskov told Interfax's Financial Information Agency that he was going to sign a package of documents in the near future stating the principal position of the Finance Ministry supporting the idea.

However, Panskov said that a compromise must be found on some key provisions of the concept of Russian banks with which the Finance Ministry was dissatisfied. Panskov said that the two-year term proposed by the banks under the LIBOR+3 percent terms was unacceptable.

Commenting on the decision of the government to sign an agreement with the Merrill Lynch International Limited, the world's largest guarantor of share placing, on cooperation for floating government and corporate securities on international stock markets in 1995, Panskov said, "Both ideas have the right to exist."

Panskov said that if the government approved the consortium's idea on the whole "we will begin talks and if both parties agree, I think we will conclude a deal not depending on the agreement with Merrill Lynch."

Panskov said the Finance Ministry also had proposals coming from Switzerland's largest banks on issuing promissory notes or bonds under government-owned shares of Russian enterprises. "The Swiss banks are

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ready to give us a credit and float the securities on the world market," Panskov added. He said he "would not confront development of cooperation on several directions."

Panskov said that a mechanism for carrying out the idea of placing promissory notes under shares of Russian enterprises in the West must be worked out and Russia should issue bonds worth 1.5-2 trillion rubles which would be circulated on the international stock market through banks and companies. He said the idea was now being discussed with some Western company.

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International Affairs

Reportage, Commentary on Clinton's Ukraine Visit

Kuchma Speaks at Welcoming Ceremony

LD1105143595 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 11 May 95

[Speech by President Leonid Kuchma during arrival ceremony for President Clinton at Kiev's Mariyyinsyy Palace — live]

[FBIS Translated Text] Esteemed Mr. President and Mrs. Clinton, esteemed guests. Welcome to Kiev, the heart of Ukraine and the capital. Welcome to the town on a Dnieper hill, where a millennium-old Christian civilization was born and flourished. Our saints and prophets, warriors, and statesmen, while establishing the powerful ancient state of Kiev Rus, gazed at the future from this hill. Our Ukrainian state has been revived, using the living sources of our history and from an ineradicable yearning for freedom and independence. This is the place, Mr. President, a few steps from here, where an historic act for the independence of Ukraine was adopted on 24 August 1991.

As you see, the past, the present, and the future of Ukraine meet on this soil. Today, Ukraine welcomes you, the president of a friendly nation, with a luxurious spring and with blossoming Kiev chestnut trees. Although there is a bit of rain, it is for happiness, I think. Spring has always been a symbol of hope, and thus the first state visit by a U.S. president to Ukraine is very symbolic. We believe that the visit will take a special place in the records of our Ukrainian-U.S. relationship, for Ukraine has set an example of nuclear disarmament to mankind, has initiated a radical economic reform, is building a democratic society, and is a reliable partner ready for constructive and mutually beneficial cooperation.

I am confident, Mr. President, that your visit will not only be bilaterally important, but that it will become a notable international event, taking into account the key geostrategic role of Ukraine within the European security system, and the outstanding role of the United States in supporting European and global security.

We have just marked the 50th anniversary of the victory over Naziism and have learned to comprehend the horrible lessons of World War II, in which our people suffered heavy losses. Therefore, we can clearly see today the necessity of building an efficient world security system, within the framework of which there will be no room for misanthropic dictatorships, empirical arrogance, aggressive separatism, and a striving to redraw the political map by means of force. Ukraine is ready to closely collaborate with the United States, with neighboring countries, and the world community in shaping the world order meant for the 21st century, the order which will make a cold war or even cold peace impossible.

This country has been the object of aggressions and alien invasions, and has burned in the flames of war some 200 times in the course of the millennium of our history. That is why we have cherished an inspired dream to live and to build a state system and prosperous free economy in peace and harmony, while feeling indispensable to the European security system.

Mr. President, Mrs. Clinton, I would like to assure you that our hearts are always open to friends. We respect and admire the industrious and talented U.S. nation, which is full of historic optimism. We rejoice in your achievements in the development of the economy, social life, the protection of health, science, culture, and sports. We are joined with you in mourning for the victims of the tragedy in Okhlahoma City.

We hope that our understanding and trust will grow after your visit. We have new ideas for Ukrainian-U.S. cooperation, which have every chance of being lifted to a qualitatively higher level of special partnership between our countries and peoples. We will try to use your short stay here to acquaint you with the historically spiritual and cultural values of our people, to tell you about our transformations and our problems. We are proud of the important role played by our compatriots in every sphere of life in the United States — Americans of Ukrainian descent — who have retained the best features of the Ukrainian people: diligence, tolerance, democracy, their love of the native land, and persistence in achieving their goals. Yes, we are persistent and we do believe that we will attain our aim of building an independent, democratic, prosperous, and stable European state of Ukraine. We also believe that we may rely on the American experience, your understanding of our problems, your friendly support, and your assistance in achieving this goal.

Welcome to Ukraine, dear guests.

Kuchma, Clinton Discuss Cooperation

LD1105165495 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 11 May 95

[FBIS Translated Text] After the solemn ceremony of welcoming the U.S. President at the Mariyinskyy Palace, Ukrainian President Leonid Kuchma and U.S. President Bill Clinton held negotiations. The two men focused on issues of deepening mutual relations between the two states on the principles of equal and democratic partnership, which are proclaimed in the Ukrainian-U.S.

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partnership, friendship, and cooperation charter; and on further expanding interaction and cooperation between Ukraine and the United States. The sides pointed out with satisfaction that during the time that had elapsed since last year's state visit by President Kuchma to America, relations between our states became ever stronger. Mutual trust and understanding has been consolidated and bilateral contacts have become even more active.

A rather ponderable legal and contractual basis for Ukrainian-U.S. relations is available today. In connection with this, both sides attached great significance to the intensification of bilateral cooperation and implementation of political and economic agreements that had been achieved earlier.

The presidents also discussed issues of consolidating security in Europe, relations with the existing security structures in Europe, the provision of aid to Ukraine for nuclear disarmament, and other issues of mutual interest.

Udovenko: Relations 'Quite Satisfactory'

LD1105185895 Moscow INTERFAX in English 1831 GMT 11 May 95

[FBIS Transcribed Text] KIEV, May 11 (Interfax - Ukraine) — All participants in the Ukrainian-U.S. talks in Kiev said today that they considered the present situation with bilateral relations as "quite satisfactory," Ukrainian Foreign Minister Hennadiy Udovenko told journalists after the talks.

The U.S. delegation led by President Bill Clinton arrived in Kiev from Moscow today.

Udovenko said the U.S. policy aimed at confirming Ukraine's statehood, independence and sovereignty was very important for Kiev.

Udovenko said that during the talks Ukraine and the U.S. had paid much attention to Russian-Ukrainian relations. "I informed the U.S. state secretary on progress in these relations," he added. He said he had cited as an example of the progress the initialling of the state treaty with Russia and the signing of the agreement on the restructuring of the Ukrainian debt.

Udovenko said he had also to inform the U.S. state secretary on the problems concerning the talks on the Black Sea Fleet.

When asked about possible participation of the U.S. in resolving the Black Sea Fleet problem following the example of the trilateral statement of the Russian, Ukrainian and U.S. presidents on nuclear disarmament, Udovenko told an Interfax-Ukraine correspondent that the U.S. was rather focusing on bilateral relations.

He said the U.S. and Ukraine had also discussed the possibility of Ukraine and NATO establishing "special relations." Udovenko declined to elaborate the issue. He just said that Ukraine was in favor of broadening cooperation with NATO.

According to Udovenko, the U.S. also said that they were going to provide economic assistance to Ukraine, including assistance to the agriculture, the oil and oil-gas industry.

Udovenko said Ukraine and the U.S. had also discussed "aggressive separatism." Ukraine proposed that a joint statement be adopted on the problem or any other joint actions be launched within the scope of the UN.

Ukrainian Ambassador to the U.S. Yuriy Shcherbak told Interfax - Ukraine that the atmosphere was "favorable" during the talks of the two presidents.

U.S. Intends To Allocate Aid

LD1105201895 Kiev UNIAR in Ukrainian 1830 GMT 11 May 95

[FBIS Translated Excerpt] Kiev — On completion of the Mariyinskyy Palace talks between U.S. and Ukrainian officials, Secretary of State Warren Christopher; Anthony Lake, National Security Council assistant to the President; and Treasury Secretary Robert Rubin held a news conference at the Ukrainian House.

President Clinton intends to put before the Senate a motion to allocate $100 million under the Partnership for Peace program, with $10 million of that amount to go to Ukraine subject to approval by the Senate.

At the talks, on the subject of Crimea U.S. support for the territorial integrity of Ukraine was reaffirmed at the news conference. Apart from that, the Ukrainian and U.S. presidents discussed the possibility of Ukraine's participation in the Halifax meeting. This still remains undecided. [passage omitted]

Statement Issued Emphasizing Reforms

LD1105194895 Kiev UT-1 Television Network in Ukrainian 1800 GMT 11 May 95

[FBIS Translated Text] At the end of the first day of the U.S. President's state visit to Ukraine, Leonid Kuchma and Bill Clinton signed a joint statement in which President Clinton assured President Kuchma the United States continued to attach primary importance to encouraging Ukraine's transition to a market economy and integration into the world economic community.

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President Kuchma expressed gratitude for substantial U.S. support and emphasized Ukraine's commitment to the fundamental economic and political reforms.

Kuchma, Clinton Sign Statement

LD1105212595 Kiev Radio Ukraine World Service in Ukrainian 1930 GMT 11 May 95

[FBIS Translated Text] At approximately 2000 Kiev time [1700 GMT] the heads of state of Ukraine and the United States of America signed a joint statement by Ukraine's President Leonid Kuchma and U.S. President Bill Clinton. For Ukraine, the signing ceremony was attended by Acting Prime Minister Yevhen Marchuk, Supreme Council Chairman Oleksandr Moroz, and other officials; and for the American side it was attended by U.S. Secretary of State Christopher, U.S. ambassador to Ukraine Miller, and other members of the state delegation.

The presidents' joint statement indicates that joint achievements in the expansion of bilateral cooperation were considered at the negotiations in Kiev.

President Clinton pointed out the historic efforts which are being made to revive Ukraine's economy, and emphasized the importance of an economically viable, democratic, and stable Ukraine within the European and world communities.

President Clinton assured President Kuchma of the fact that the United States is continuing to give priority to supporting Ukraine's transition toward a market economy and Ukraine's integration into the world economic community.

President Kuchma expressed his gratitude to the United States for its essential support, and emphasized Ukraine's commitment to fundamental economic and political reforms.

In the spirit of the Ukrainian-U.S. partnership, friendship, and cooperation charter, which was signed during the 1994 state visit by President Kuchma to the United States, both presidents agreed with the program for cooperation, aid, and consultations, which is aimed at the consolidation of their growing cooperation.

The joint statement also contains specific trends of cooperation; for example, the development of bilateral and economic cooperation.

President Clinton pointed out in particular, that Ukraine overcame an important stage in obtaining an IMF standby credit of $1.5 billion.

President Kuchma expressed his satisfaction with the obligations assumed by international financial institutions in relation to Ukraine. Over the past eight months the sum under the obligations has reached over $2 billion.

Both presidents recognized the importance of these obligations within the framework of the implementation of the decision made in Naples in July 1994 on granting aid to Ukraine to the value of $4 billion within two years. President Kuchma expressed his satisfaction with the recent obligation assumed by the G7 countries to extend direct bilateral financial aid to the value of almost $1 billion, and confirmed Ukraine's wish to examine the progress of economic reform with the governments of the G7 countries.

Both leaders also welcomed support given to Ukraine by Russia and Turkmenistan as regards the restructuring of Ukraine's debt amounting to over $3 billion.

Both presidents emphasized the importance of market-oriented reforms as a way toward fully implementing the potentials of Ukraine's economy.

President Clinton confirmed U.S. support for Ukraine's economic program, and praised President Kuchma for his bold, leading role in this matter.

President Clinton confirmed the pledge of the United States to grant $250 million in aid to Ukraine to satisfy its need for critical imports in 1995. President Clinton pointed out the importance of this aid, rendered in the form of an innovative mechanism for trade and credit insurance in the field of agriculture, and declared that the aid would also be rendered in the form of a new package of initiatives aimed at contributing to the development of Ukraine's agriculture. The package includes technical assistance for the development of the agricultural commodities exchange, which will provide for an alternative, private, market source for this produce, and technical assistance to the development of the agricultural, market-led information system, and to the safe use of agricultural chemicals.

The joint statement emphasizes that President Clinton confirmed further U.S. support to Ukraine's efforts aimed at implementing structural economic reforms which will attract private capital and ensure a basis for mutually advantageous trade relations.

Both presidents considered issues of U.S. assistance to the development of capital markets, to the development and functioning of investment funds, and a pilot program of shares' registration and circulation with the aim of promoting both domestic and foreign capital investments.

President Clinton announced a new program for technical assistance and training in order to support the development of credit unions in response to Ukraine's interest

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in expanding the sphere of savings and credit facilities to consumers and small businesses.

President Kuchma confirmed his commitment to the implementation of a radical program of mass privatization, to the setting up of capital markets, to the perfection of the taxation policy, and the development of new legal principles to support the market economy.

President Kuchma emphasized the need for urgent technical assistance to aid carry out the evaluation of Ukraine's enterprises to be privatized in the oil, gas, and chemical industries.

President Clinton acknowledged the importance of this proposal and the reformation of this sector as a whole, and called on President Kuchma to give this issue priority during his negotiations with international financial donors.

The presidents emphasized the vital role of trade and capital investments in normalizing Ukraine's economy and discussed the importance of Ukraine's integration into the world economic community.

The presidents acknowledged the availability of significant potential for the growth of Ukrainian-U.S. trade and capital investments and pointed out the positive effect of the recently implemented economic reforms and those that are still under way on the formation of the business environment in Ukraine.

Acknowledging this, President Clinton said that the U.S. Export-Import Bank again opened its programs for Ukraine, giving its access to short-term and medium-term financing of U.S. exports under the Ukrainian Government's guarantees. The United States firmly supports Ukraine's accession to the Word Trade Organization and renders assistance to the Ukrainian Government in carrying out this process.

Emphasizing their determination to expand bilateral trade relations, the presidents declared that the second session of the joint commission for trade and investments would take place in July of this year. The commission is the main instrument of bilateral trade cooperation, which was initiated during the state visit by President Kuchma to Washington in November 1994.

President Clinton emphasized that the U.S. Administration had recognized Ukraine as a country with a transitional economy on the way toward a free market. He pointed out the administration's intention to cooperate with Ukraine closely in resolving bilateral issues of access to markets in a mutually acceptable form.

Both presidents emphasized the growing importance of providing opportunities to private businesses, both Ukrainian and American, in order to develop the key industries in Ukraine and pointed, in particular, to the existing potential for the development of agriculture, power engineering, the aerospace industry, telecommunications, military industry conversion, and health protection.

The presidents' joint statement also emphasizes that both leaders confirmed their commitment to the implementation of joint bilateral and multilateral programs aimed at restructuring and reforming the power engineering industry in Ukraine and raising nuclear reactor safety.

President Kuchma confirmed Ukraine's intention to work with the G-7 countries on the problems of Ukraine' power engineering industry, including a stage-by-stage phasing out of the Chernobyl reactors, which is to be completed by the year 2000.

President Clinton declared that the United States would be rendering assistance with the aim of improving the fire and operation safety at the Chernobyl nuclear power station until it could be shut down.

In continuation of the cooperation between the two countries in the field of civil exploration of space, President Kuchma and President Clinton announced that a Ukrainian cosmonaut will take part in a flight on board a NASA space shuttle which is to be launched in October 1997.

Both presidents agreed with the importance of educational and professional exchanges. They pointed out that in compliance with the freedom support law more than $8 million will be allocated in the 1995 fiscal year to finance the training of Ukrainian graduates, students, and secondary school pupils in the United States. This money will also be used to finance professional exchanges that will involve thousands of people in this fiscal year.

As regards security and defense, Presidents Kuchma and Clinton pointed out that a number of historic steps were taken in the field of armaments control and security after their last meeting in November 1994. They pointed out, in particular, Ukraine's accession to the Nonproliferation Treaty at the CSCE summit in Budapest, the granting of security guarantees to Ukraine in connection with the accession, and the implementation of the START I treaty. In this connection, the presidents acknowledged the invariable importance of the implementation of the objectives set out in the trilateral statement signed by the presidents of Ukraine, the United States, and Russia in January 1994.

The two presidents confirmed their pledge to work together both at bilateral and multilateral forums with the aim of consolidating global peace and stability.

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President Clinton pointed out the historic contribution which Ukraine is continuing to make to universal peace and security by fulfilling its pledge to eliminate strategic nuclear armaments. He again emphasized that the extension of U.S. aid would help Ukraine achieve the aim of destroying its nuclear weapons in the interests of the world community.

The presidents pointed to the essential progress achieved during the implementation of the program of aid under the Nunn-Lugar law, which is aimed at promoting the dismantling of strategic offensive weapons and maintaining safety of nuclear materials, as well as promoting the process of Ukraine's military industry conversion.

President Clinton announced with satisfaction that the money earmarked within the framework of the Nunn-Lugar program has been supplemented by approximately $10 million for military conversion needs. Up to $10 million is allocated for the projects of eliminating the nuclear infrastructure. An additional sum of up to $5 million is allocated to a scientific and technical center in Ukraine, and an additional sum of $2 million is allocated to the development of bilateral military cooperation.

Both leaders welcomed the fast expansion of bilateral cooperation in the field of defense as positive evidence of cooperation between the two countries.

The joint statement emphasizes that Presidents Clinton and Kuchma paid much attention to Ukraine's integration into the European security structures. The presidents confirmed their common vision of a stable, undivided, democratic Europe and a security structure which is being set up and which contributes to further integration. They discussed issues of NATO's long-term expansion and the further deepening of Ukraine's cooperation with the alliance on a more extensive basis, including Ukraine's active participation in the Partnership for Peace program, in NATO's Cooperation Council, and in other activities as a means of deepening the cooperation.

President Clinton pointed out that NATO's expansion will be carried out so as to consolidate the stability and security of all European states. He expressed his understanding of Ukraine's stance on security issues.

The presidents agreed that both states will continue holding regular bilateral consultations on issues dealing with the architecture of European security. Both presidents acknowledged that an independent and stable Ukraine which is secure within its internationally recognized borders is a key factor for stability and security in Europe.

President Kuchma informed President Clinton about the latest political events in Ukraine, including those in Crimea. The two presidents agreed that domestic issues, such as the Crimean one, should be resolved by political means in compliance with the principle of the supremacy of law, with respect for human rights and the principles of the Organization for Security and Cooperation in Europe and within the context of respect for territorial integrity of states.

The presidents confirmed Ukraine's active participation in the Partnership for Peace Program. President Clinton announced that during the 1995 fiscal year the United States will allocate more than $1 million to support Ukraine's participation in exercises to be held within the framework of the Partnership for Peace Program. He also informed President Kuchma that out of the $100 million requested for the 1996 fiscal year to support partners within the Partnership for Peace in accordance with the Warsaw initiative, the United States intends to allocate about $10 million in aid to Ukraine.

In their joint statement the presidents confirmed their commitment to maintaining regular contacts at the summit level in order to ensure full and timely implementation of their initiatives.

This document, entitled Joint Statement by Ukraine's President Leonid Kuchma and U.S. President William Clinton, crowned the first, eventful day of the state visit to Ukraine by U.S. President Clinton.

Visit Seen as Concession to Republicans

LD1105165995 Moscow NTV in Russian 1500 GMT 11 May 95

[FBIS Translated Text] [Correspondent Aleksey Mustafin] U.S. President Bill Clinton arrived in Kiev on an official visit today. This is the American president's first visit to Ukraine, after his short stop-over at Borispol airport in Kiev en route to Moscow last year. Then the United States was not giving heed to relations with Kiev. Ukraine, on the contrary, was interested in recognition by Washington.

Today the picture is completely different. There is a tacit acknowledgement that Clinton's visit to Kiev is dictated first of all by the American president's internal political considerations. The U.S. Congress with its Republican majority is rather critical of the White House's pro-Russian slant. Clinton needs to prove that he is paying as much attention to other CIS states.

To all appearances, Kiev does not mind supporting the efforts of the American president, to a profit for themselves, naturally. Thus, it has transpired that changes have already been made to the agenda of the

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visit — it will last two days rather than one, and a joint statement by the two presidents will be signed. However, one should not expect any radical changes in the Ukrainian-American relations.

Kuchma's Future Policy Line Influenced

MK1205084095 Moscow NEZAVISIMAYA GAZETA in Russian 12 May 95 p 1

[Commentary by Vitaliy Portnikov under the general headline: "Kiev Hopes for Washington's Support. American President in Ukrainian Capital"]

[FBIS Translated Text] No doubt, protocol events are not at the heart of the American President's visit to Kiev. The Ukrainian side is hosting Bill Clinton, who prior to this visited Moscow. It is a well-known fact that there has been much more talk in the capitals of European states than in Kiev lately about Ukraine becoming for the Americans an important strategic partner, not so much from the point if view of its economic, political, or military significance as from the point of view of its very existence. In the wake of the Chechen campaign, this existence is becoming as it were a guarantor of stability in the entire post-Soviet space. It is therefore important for the Ukrainian leadership to find out to what extent his meeting with Boris Yeltsin has altered Clinton's view of Ukraine, to what extent the American leader is prepared to continue to give Ukraine economic or even political support in view of the Russian factor. One should also consider the fact that Ukraine today is more a country in need of American economic aid than a state that can offer America serious programs and plans of its own. Thus, for the president of Ukraine, the U.S. President's visit will be a defining moment in terms of his future orientation — toward Moscow or Washington, or toward Moscow and Washington at the same time. In the wake of 1995's May celebrations, this course of Leonid Kuchma's will probably be defined with complete clarity.

Clinton's 'Calmer' Visit Viewed

MK1205100795 Moscow KOMMERSANT-DAILY in Russian 12 May 95 p 4

[Report by Yekaterina Akopova, Viktor Zamyatin under the "Bill Clinton in Ukraine" rubric: "Clinton in Bronze Looks True to Life"]

[FBIS Translated Excerpt] Bill Clinton's Russian visit ended yesterday with a stroll around Novyy Arbat and a meeting with "opposition leaders." His stay in Kiev, for which he left yesterday at noon, promises to be calmer — in terms of schedule, not content. Kiev is intent on seeking an increase in financial assistance from Washington as well as support for its stance on the Crimean and Black Sea Fleet problems. Ukrainian politicians hope Kuchma will "squeeze" from Clinton's visit more than his Russian counterpart managed to get. [passage omitted]

A four-year period of independence has plunged the republic into crisis; hence, an upsurge in pro-Russian sentiments. Now not only Crimea, but the eastern part of the republic, too, has been calling for unification with Russia. While straightening out its relations with Moscow, Kiev would not mind getting Washington's support. Million-dollar loans and investments will do the Ukrainian economy no harm either. In a word, Clinton was given a cordial welcome at Borispol Airport — with the traditional bread and salt and an unconventional vodka named "Clinton," manufactured under a special order. Weighty gifts were also waiting for the guests: Bill and Hillary were cast in bronze — busts by sculptor Valentina Znoba that bear a remarkable resemblance to the originals and weigh 80 kg each. By making this present, the hosts appear to have intended to hint that they expect just as weighty results from the visit.

The subjects of the summit are Russian-Ukrainian relations, Crimea, and European security. In Clinton's view "NATO's expansion should proceed so as to enhance the security of Ukraine and the whole of Europe along with it." The talks are to culminate in the signing of a package of ten accords, the contents of which will become known only today. Apparently, the package will be shaped as the talks progress and will depend on their results. OPIC President Ruth Harkin, who visited Ukraine a month and a half ago, acknowledged that this republic is "attractive for American investors" (Clinton expressed the same view yesterday, saying that "the American private sector will invest in Ukraine"). Upon his return home he will try to convince investors who regularly read reports about crime rates in the CIS. Something has still been done: Treasury Secretary Robert Rubin, who accompanies Clinton, brought a number of cooperation proposals along. In addition, Leonid Kuchma plans to discuss once again quotas for Ukrainian commercial satellite launches (during the Ukrainian president's U.S. visit he only managed to wrest from his American counterpart the promise to think it over). The two sides also plan to discuss the question of stepping up technical assistance. Presently Ukraine is the fourth-largest recipient of American aid after Israel, Egypt, and Russia. It has been promised $900 million to reform its banking system, to cover its foreign debt, and to carry out privatization. According to Viktor Yushchenko, chief of the National Bank, the Americans will be offered an option under which "commodity assistance will be transformed so as to use it to repay foreign debts, for instance to Russia

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and Turkmenistan." In addition, according to Economy Minister Roman Shpek, it is planned to consider the possibility of insuring U.S. investment. The visit's schedule also includes meetings with students and a stroll down Andreyevsky Spusk, where, as a matter of fact, there are plans to build a five-star Ukrainian-American hotel.

As for the political aspect of the talks, Kuchma will attempt to convince Clinton of the need for a Ukrainian presence at the Halifax summit. For the time being, as Foreign Minister Gennadiy Udovenko admitted, "the G-7 leaders appear to be unwilling to set a precedent." But the hope is still there — "the West has promised to think this over."

Joint Military Exercise With U.S. Army in Mid-May

WS1205090995 Lvov INFOBANK in English 0829 GMT 12 May 95

[From the "News Service" feature]

[FBIS Transcribed Text] On May 19 the first group of the U.S. servicemen will arrive in Lvov to take part in the Peace Shield-95 Ukrainian-American tactical military exercises. The exercises will start on May 23 at the Yavorivsky ground of the Transcarpathian military district, Lvov Oblast. During May 19-23, twenty three Hercules aircraft of the U.S. Air Force will airlift 300 U.S. Army personnel and 50 motor vehicles. The Ukrainian Army will be represented by 400 servicemen of the Iron Division which belongs to the Transcarpathian military district, with attached tanks, armored personnel carriers and other military equipment. Volodymyr Kulyk, a spokesman for the Transcarpathian military command, told our INFOBANK correspondent that field operations will be led by Major General Mykola Petruk, Commander of the Iron Division, and Brigadier General D.L. Gradge of the U.S. Army. Lieutenant General Volodymyr Kondratenko, Deputy Commander for Personnel of the Transcarpathian military district, and Major General Leonard Holder, Commander of the 3rd Infantry Division of the U.S. Army based in Wurzburg, Germany, will carry out general command at the exercises.

U.S. Company Signs Zenit-2 Carrier Rocket Contract

LD1105192295 Kiev UNIAN in Ukrainian 1730 GMT 11 May 95

[FBIS Translated Text] Kiev [no date as received] — The Pivdenmashzavod production association, Dnepropetrovsk's design bureau Pivdenne, and the U.S. company Space Systems/Loral have signed a contract on launching three Zenit-2 carrier rockets under the U.S. Globalstar satellite project, UNIAN learned from the National Space Agency of Ukraine on 11 May. The document was signed recently.

The three Zenits will put into low orbit 36 of the Globalstar system's 56 satellites from Russia's Baykonur space center in 1998. The commercial undertaking concerns both Ukrainian and Russian companies engaged on building and launching these carrier rockets.

Globalstar will provide world-wide satellite mobile communications services, including for Ukraine.

National Affairs

Kuchma Slams Parliament Stance on Power Bill

AU1105160195 Kiev DEMOKRATYCHNA UKRAYINA in Ukrainian 6 May 95 pp 1, 2

["Exclusive" interview with President Leonid Kuchma by DEMOKRATYCHNA UKRAYINA "in Italy at the beginning of May": "Democratic Ukraine Is Our Future"]

[FBIS Translated Excerpt] [Passage omitted]

[DEMOKRATYCHNA UKRAYINA] Of course, it is a great pity that we cannot mark the 50th Anniversary of the victory in a manner worthy of our people and that the 50 years that have elapsed since the victory have not made Ukraine wealthy and prosperous, but let us hope that a new and democratic Ukraine will be able to offer a decent life to its citizens. One hears lately that stabilization has begun and inflation has been curbed. What can be done to nurture these shoots and allow them to develop?

[Kuchma] You see, it is restructuring of peoples' mentality rather that any other restructuring that remains the main problem. One needs to realize this. In Italy, I met with leaders of parties who, until recently, professed communist ideals. However, today, they place values other than class ideals to the foreground — they adopt the stand of Western social democracy. Even though the idea of social justice is eternal, as is the Christian idea.

A division is again brewing in our society today. It is common knowledge that deterioration of the economic situation always gives rise to differences in society. However, we are in a situation different even from that of our neighbors — the eastern European states. These countries have always been countries, and there has been no doubt about it. Occasional calls to return back to the Soviet Union and admonitions that we are to blame for the breakup of the Union make one ponder. I would recommend that those people think

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about whether this can actually be accomplished. Will Russia accept us and will it want, for example, to share its domestic energy source prices with Ukraine or some other republic? One should not lie to one's own people, because there is a price that should be paid for any ill-considered political decisions — a very high price. Unfortunately, it is common people who have to pay. Monopolization and state ownership again. We have already gotten past that. Today in Italy, both left- and right-wing activists, and centrists at all levels maintain the same thing: Privatization is the best way to ensure dedicated work. Today, privatized firms work better than state ones — this has been proved worldwide. We do not deny state ownership and do not call for total privatization. However, turning everything into the hands of the state is not a way out either. The State Planning Committee and State Committee for Supplies no longer exist — we have destroyed them. I would like everybody to understand the responsibility incumbent upon those people who are called upon to take action. It is possible to turn the helm of government, but what then? I keep asking myself: What then?

[DEMOKRATYCHNA UKRAYINA] Harmony in society largely depends on harmony between the branches of power. Unfortunately, there have already been various scenarios of development for mutual relations between the parliamentary and executive powers on the territory of the CIS: There already exist the Russian, Kazakh, and Belarussian variants.... How can we establish constructive cooperation?

[Kuchma] Unfortunately, I no longer believe that the executive power will find understanding on the part of the legislative power. I can analyze everything from beginning to end. In my capacity as president, I did everything possible and impossible to achieve mutual understanding. The Power Bill has become a kind of catalyst. It has revealed the total inability of the left-wing parliamentarians to perceive what the executive power proposes. They even deny the fact that the president is the head of state and executive power, even though this is what is stated in the Constitution, the defenders of which they claim to be. They only do everything against.

I am afraid that there are virtually no chances for us to reach an understanding. However, the road toward collective irresponsibility is not the right one for Ukraine. I am deeply convinced that Ukraine may have a future only provided that it has strong executive power.

In my opinion, there exist only two scenarios for the development of events: Either a plebiscite, in which case the one who loses must leave the political arena. Or a constructive majority would be created within the parliament, a majority with which one can work. We have come to a stop within the legislative process. The Supreme Council has assumed all the functions — administrative-distributive and judicial — it wants to be both procurator and judge....

[DEMOKRATYCHNA UKRAYINA] However, this is precisely what you are accused of — that you want to usurp all power and be a dictator....

[Kuchma] This can only be asserted when one ignores logic. Take a good look at the Power Bill: It contains a distinct division of functions among all branches of power. The bill was subject to expert analysis not only in Ukraine, but also at the international level. Let them give at least one example of a country emerging from the crisis under the leadership of its parliament. Common sense will convince anybody that 400 people simply cannot govern a state.

[DEMOKRATYCHNA UKRAYINA] Perhaps it is worth paying more attention to the completion of the constitutional process?

[Kuchma] I am in favor of speeding up the constitutional process. The difficulty, however, is in that our society is not structured. Just listen to what is going on at sessions of the Constitutional Commission: Everything proposed by one side is immediately rejected by the other. The Power Bill is yet another confirmation of this. I have no illusions: The present Supreme Council is unable to adopt a constitution. One must think about mechanisms. For example, a constitutional assembly or a referendum on the main points of the Constitution. I would prefer a constitutional assembly, because the results of a referendum may be influenced both by the economic situation and regional structures. We know of cases where regional interests do not always coincide with national ones.

[DEMOKRATYCHNA UKRAYINA] Do you believe that there exists a unique road for Ukraine?

[Kuchma] There is no "unique" road. Within the Union, we lived (many people believe that it was not a bad life) only because of very rich reserves of raw materials — oil, gas, gold, and timber. In Ukraine, we cannot subsist on our natural resources: There is no such possibility. Even today, we have to export raw materials, metal, and fertilizers and risk turning Ukraine into a raw materials appendage. I think that we deserve a better fate.

We must act in accordance with rules that have evolved in the world over the centuries. And achieve the same success as leading countries of the world.

[DEMOKRATYCHNA UKRAYINA] Will our war veterans see better days?

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[Kuchma] For this, Ukraine must do everything possible and impossible at all levels....

Defense Ministry To Turn Over Test Grounds, Airfields

WS1205092995 Kiev UKRINFORM in English 0905 GMT 12 May 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As the Ukrainian Cabinet's press service reported, Vice-Premier and Defense Minister Valeriy Shmarov has made a decision to turn over to the local Crimean authorities some of the Ministry's lands in Crimea, which until now have been used as test grounds, airfields, and so on. In this way over 8,400 ha [hectares] of lands will be ceded to civilians for use. If necessary, the Defense Ministry will finance their recultivation, the report says.

Development of Sea-Based Launching Pad

WS1105130495 Lvov INFOBANK in English 0730 GMT 11 May 95

[From the "News Service" feature]

[FBIS Transcribed Text] The Mykolayiv Shipbuilding Research and Design Center has started the development of a draft project for a special-purpose floating platform that would serve as a space launching pad in the Black Sea. Chief Designer Serhiy Kryvko has said that the first satellite launches may occur as early as in 1998 in case that sufficient financing would be secured. The cost of the project is estimated at $20 million. However, according to Mr. Kryvko, it will take five to six launches to recover the project's cost and to start gaining net profit. Mr. Kryvko believes that a consortium of national businesses would be capable of carrying out the construction, although foreign investments may be attracted as well if certain investment guarantees are given. As of today, the Black Sea shipbuilding plant of Mykolayiv, the PIVDENNE design bureau of Dnipropetrovsk, the KHARTRON corporation, and the Institute for Rocket Engineering of Kharkov are involved in the development of the sea-based part of the project. Mr. Kryvko has assured that the construction of a floating launching pad is more efficient and environmentally safer than the construction of land-based launching facilities. At present, Italy operates a somewhat similar San Marco platform, but the Ukrainian facility will be significantly different in some technical characteristics.

Tatars Picket Prosecutor's Office

WS1205092895 Kiev UKRINFORM in English 0905 GMT 12 May 95

[From the "Current Events" feature]

[FBIS Transcribed Text] As UKRINFORM's correspondent in Simferopol, Crimea's capital, reported, on Thursday, May 11 about 3,000 Crimean Tartars staged a rally in Front of the Crimean Procurator Office building in Simferopol to protest against crime, racket and discrimination affecting Crimean Tartars. The rally was organised by the Crimean Tartar Majlis (assembly) and the Adalet (Justice) Crimean Tartar nationalist party. The rally lasted about two hours and ended in a petition conveyed to Valeriy Kuptsov, Crimean Procurator.

Crimea Referendum Motivation Probed

954F2203A Kiev KIYEVSKIYE VEDOMOSTI in Russian 27 Apr 95 p 3

[Article by VEDOMOSTI correspondent Tatyana Korobova: "Parliament Summons Crimeans to the Barricades"]

[FBIS Translated Text] Simferopol—So, the inevitable has happened. The referendum, about which the Republic Movement of Crimea had been speaking for so long, has been scheduled. The plan for an all-Crimea plebiscite has been modified somewhat, it is true. The Crimean deputies have not ventured as yet to put the question bluntly—on the status, more precisely, the independence, of Crimea. The people are being called upon to express their attitude toward existence in the legal domain of Ukraine. In other words, to approve the Constitution of Crimea of 6 May 1992 transferring the autonomy's relations with the state to a confederative basis, essentially. The wording of the first question put to the referendum contains a hope of outright manipulation of the public consciousness: "Do you approve the Constitution of the Republic of Crimea canceled by the Supreme Council of Ukraine unilaterally on 17 March 1995?" It might just as well ask "Do you want to be raped?" in expectation of the predetermined result. "Do you support the law of Ukraine 'On the Autonomous Republic of Crimea of 17 March 1995?'"—the Supreme Council intends to ascertain from the citizens of Crimea in a second question, although the Crimean deputies evidently suspect that the majority of citizens neither have read either their own constitution or the new law, nor will they do so. And the entire piece of trickery is that Kiev has canceled "this" and given in exchange "this other," and there is an opportunity for once again stimulating a confrontation of Crimea and Ukraine. Even Sergey Shuvaynikov, leader of the Russian Party, understands this, believing that now "the Russian and

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Ukrainian peoples are being set against one another and summoned to the barricades."

The feeble response of the citizens to the decisions of the Supreme Council of Ukraine of 17 March obviously prompted the following move also: To increase the assertiveness of the electorate it has been offered also a poll on the creation of a Russia, Ukraine, and Belarus economic and political union, which would be held at this same hour (a rush hour?)—25 June 1996. As distinct from the first two questions, the response to which will be "binding, as an act of direct expression," the "Union" referendum will be advisory.

Nonetheless, why did the Supreme Council of Crimea not lift the moratorium on a referendum on the status of Crimea, studiously avoiding fulfillment of the election promise of the pro-Russian majority? And why were the deputies who insisted on this called "labor camp stooges"? Simply because the time is not yet right. As the Sevastopol deputy Aleksandr Kruglov, the indefatigable fighter, explained from the rostrum: "The lifting of the moratorium is our grenade, from which, when the time comes, we will pull the pin. These would be the best moments, and I am already painting these pictures.... But, considering the difficulties of the situation, in Russia included, Russia and the forces which support us should not be forced to take extreme steps."

What is meant by "extreme steps" ensues, evidently, from recent statements of Andrey Kozyrev, minister of foreign affairs of Russia, who has given voice to the new turn in Russian foreign policy in regard to the former camp brethren. The forces that support the Crimean deputies are diverse, but they exist and are strikingly expressed. Kruglov: "I categorically protest against mentions of deputy of the State Duma Zhirinovskiy in a negative aspect. It is this deputy who is the most actively helping Crimea."

And what if Kiev takes no notice, as it were, of the Crimean plebiscite? A solution for this contingency was proposed by Deputy Nikolayev: "If Ukraine does not recognize the results of the referendum, we should declare ourselves a colony and begin a national liberation struggle."

Generally, to judge by everything, the Crimean Parliament "choked." The deputies also voted for a referendum on no confidence in the president of Ukraine. Speaker Tsekov became very upset, it would seem, on seeing the result on the board: "I told you we should not have voted—now only 24, apparently, are opposed to Kuchma, the rest, in favor."

The Crimean knot is tightening. And need it be said whose hands control the main thread? The appeals to the leadership of Russia—to become guarantors of observance of the "rights of the Russian and Russian-speaking population," also called "compatriots"—are interesting also. Such appeals from the Supreme Council and the ex-president are already innumerable. The Crimean demands for protection on an ethnic basis could be considered a provocation on a large scale, had an example of absolute international-law impudence not been set by Boris Yeltsin, Ivan Rybkin, Andrey Kozyrev, and other important present-day figures drawing no distinction between the "citizen of Russia" and "a citizen, Russian by nationality, of another state" concepts.

After long hesitation and reflection, the executive set about eliminating the institution of the presidency in Crimea. This happened, evidently, after Yuriy Karmazin, leader of the temporary commission of the Supreme Council of Ukraine for Study of the Political and Legal Situation in Crimea, having seen on Tuesday that the hall of the Crimean Parliament had been half-filled with employees of the President's Office, angrily told a government official: "You are a set of impotents, not a government!" And the Supreme Council of Crimea decided to deprive Yuriy Karmazin himself of its confidence (?!) for, as Vice Speaker Aleksandr Frolov put it, "clearly expressed maximalist subjectivism." Yuriy Karmazin should not feel too badly about this, evidently, thoughts were also heard in his presence from the parliamentary rostrum about the fact that "the OSCE lives by a double set of morals."

"You can only fight," Deputy Kiselev told his colleagues. Whether he is right or wrong, we do not know. As yet.

Horbulin Influence on Government Gauged

954F2241A Kiev MOST in Russian 1-7 May 95 No 17, pp 3-5

[Article by Vyacheslav Pikhovshek: "'A Strict Vertical of Executive Power' or the Case of Volodymyr Horbulin"]

[FBIS Translated Text] Recently the name of Volodymyr Horbulin has been encountered more and more frequently both in the mass media and in discussions of political scientists working directly on investigating problems of the formation of high state power in Ukraine. The secretary of the National Security Council of Ukraine (SNB) and the president's adviser on questions of national security, Volodymyr Pavlovich Horbulin, took many years to arrive at this position, and he did not take the most direct route. But now he has concentrated in his hands a great deal of authority which without any special exaggeration might be called extremely significant, and functionally it is

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quite sufficient to influence the adoption of decisions at the highest level.

In his book "Stellar Attraction," V. Horbulin presented his own life's credo: "Many achievements are based on baggage....knowledge combined with the ability to generalize objective tendencies in the development of new directions...., to select the most promising from among them and to justify this selection....and, no less important—to take responsibility for the decision that is adopted." Those who have known V. Horbulin from working with him agree that he is a person with a rare ability to work, who is capable of accumulating the results of the work of several groups in order to achieve a significant result. Until recently V. Horbulin's political activity as a whole was barely apparent to the public, with the exception of rare television and newspaper interviews. And yet the person who has jurisdiction over providing for Ukraine's national security is acting and, judging from everything, he is acting quite resolutely.

An analysis of the activity of SNB secretary and presidential adviser V. Horbulin, like, incidentally, much of what is going on in the administration of the president of Ukraine, is impossible in shades of black and white, since it is complicated by the palliative and incomplete nature of the implementation of many decisions adopted previously which have, in turn, generated situations whose roots not only do not lie on the surface but go into the past and are capriciously interwoven into the formation of the present. Moreover, each decision adopted at the highest level is to one degree or another a result of the achievement of a certain compromise between the existing groups of influence or, as was the case with the president's edict "On Currency Regulation," an example of how one group manages to defend its interests at the expense of another. But in any case the mechanism for the adoption of these decisions is extremely important since the way the political situation in the Ukraine develops in the near future and over the longer range will depend precisely on this.

There is nothing especially surprising in the fact that individuals responsible for certain areas in the president's administration and the government, who, incidentally, unquestioningly recognize L. Kuchma's authority to make final decisions, in the advantageous role of generator of ideas frequently act to their own advantage, since practically every one of them is constantly competing with the others, making tactical blocks and taking into account temporary convergence or divergence of mutual interests. The situation described is also interesting in that the way L. Kuchma selects the most trusted people and how he arranges relations and divides responsibilities among the "hemispheres" of the presidential administration and the government—groups of SNB Chairman Volodymyr Horbulin, Acting Prime Minister Yevgeniy Marchuk, the chief of the president's administration, Dmitriy Tabachnik, and the first assistant to the president, Aleksandr Razumkov—to no small degree demonstrates the work style of Leonid Kuchma himself.

L. Kuchma and V. Horbulin: Parallel Ascent

As distinct from many members of the administration of Leonid Kuchma, whose political star rose not so long ago, Volodymyr Horbulin came to his present position by his own path, a more classical one, and, consequently, he is stronger in playing the apparatus game. The 56-year-old graduate of Dnepropetrovsk University and Doctor of Technical Sciences V. Horbulin in his day was a winner of the State Prize of the USSR. Having worked for 14 years as a scientific associate at Yuzhmash, V. Horbulin participated in the development of space equipment of the Kosmos series and strategic missile systems, and during 1975-1976 he was deputy secretary of the party committee of the Yuzhnoye Design Bureau in the party committee of Leonid Kuchma.

In the press there have been many mentions of the unique "intersection" of the paths of the president and the current secretary of the National Security Council, and their close relations over many years have been pointed out. This is indeed true and it is known that V. Horbulin had occasion to come to the aid of L. Kuchma in matters pertaining directly to production-party issues as well. But the "Kuchma-Horbulin" connection becomes somewhat more complete with the introduction of a third player—Vasiliy Dmitriyevich Kryuchkov. All of them are graduates of the same engineering faculty of Dnepropetrovsk State University (L. Kuchma—1960, V. Horbulin—1962, and V. Kryuchkov—1967, although, true, he graduated from the correspondence division, which is not considered especially prestigious among rocket scientists), and then they all worked at Yuzhmash.

The Yuzhmash lobby like that of Dnepropetrovsk in general, has always been fairly strong in Kiev. Vladimir Shcherbitskiy gave the "Dnepropetrovsk people" many key positions in the party central committee. Even now, in 1995, many important positions in the capital establishment—in the government, the parliamentary apparatus, law enforcement organs, military and banking organs, justice organs and even in church circles—are held, according to the most modest accounts, by 64 people from the Dnepropetrovsk region.

From 1969 through 1973 Vasiliy Kryuchkov headed up the party committee at Yuzhmash and then, after 1974, was in charge of the defense industry department of the

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Central Committee of the Communist Party of Ukraine. In 1997 V. Horbulin went to work in the apparatus of the Central Committee of the Communist Party of Ukraine, in 1970 taking the position of chief of the sector of rocket-space and aviation equipment in the department headed by V. Kryuchkov. The intense work schedule which the missile scientist Volodymyr Horbulin brought with him from the defense industry was never considered generally acceptable in the Central Committee of the Communist Party of Ukraine, and it is a fact that during the years when V. Horbulin was working in the party Central Committee not a single complaint was written against him to the "higher party organs"—to people familiar with the ways that prevailed in party organs in the recent past this will say a great deal. Vasiliy Kryuchkov was secretary of the Central Committee of the Communist Party of Ukraine when on 28 October 1986 the Politburo of the Central Committee of the Communist Party of Ukraine adopted the decree "On the General Director of the Production Association Yuzhnyy Mashinostroitelnyy Zavod imeni L.I. Brezhnev—first deputy general designer and general director of the scientific production association Yuzhnoye," with which a decision was adopted "to include in the nomenklatura of the Politburo of the Central Committee of the Communist Party of Ukraine the position of general director of the production association Yuzhnyy Mashinostroitelnyy Zavod imeni L.I. Brezhnev—first deputy general designer and general director of the scientific production association Yuzhnyy" and "to adopt the proposal of the Dnepropetrovsk Oblast Committee of the Communist Party of Ukraine and the Ministry of General Machine-Building to approve as general director of the production association Yuzhnyy Mashinostroitelnyy Zavod the first deputy general designer and general director of the scientific production association Yuzhnyy, Comrade L.D. Kuchma."

Incidentally, in the opinion of politicians who were involved in the adoption of this decision, it would be at least an exaggeration to say that Vasiliy Kryuchkov contributed to the rise of Leonid Kuchma. It is known, incidentally, that the appointment of the current president to the position of general director of Yuzhmash occurred because of the position of two other influential individuals who at that time were directly involved in the military- industrial complex, one of whom is now fairly active in politics and the other is on a pension but leads a life which can hardly be called idle.

With the beginning of perestroyka the "rocket scientists" far from immediately developed means of political protection of their interests. Candidate member of the Politburo of the Central Committee of the Communist Party of Ukraine V. Kryuchkov was elected at the 27th CPSU congress as a candidate member of the CPSU Central Committee and then worked as chairman of The subcommission on Questions of the Military-Industrial Complex and Conversion of the Supreme Soviet of Ukraine of the 12th convocation, and V. Horbulin—in the Cabinet of Ministers was deputy chief of the Department of the Defense Complex, Communications, and Machine-Building, while L. Kuchma was a people's deputy and a member of the Commission of the Supreme Soviet on Questions of National Security. Then Volodymyr Horbulin took over the position of general director of the National Space Agency (NKA) of Ukraine, created by an edict of Leonid Kravchuk of 29 February 1992, and Leonid Kuchma soon became head of the Ukrainian Government.

According to informed sources, the very idea of creating the NKA of Ukraine was V. Horbulin's idea. L. Kravchuk, who signed the edict on the creation of the NKA of Ukraine, did not find it easy to risk reaching out to the still strong "Dnepropetrovsk people": There was practically nobody else to assign the Ukrainian space business to except Volodymyr Horbulin.

After Leonid Kuchma's Victory

There is extremely good reason to assume that L. Kuchma's victory in the presidential elections was not a surprise to V. Horbulin. To external observers, however, it was demonstrated that as early as May-June 1994 the main efforts of the general director of the NKA of Ukraine were concentrated on the assimilation of Western markets by Ukrainian space products, which was reinforced by a statement to the effect that "Ukraine intends to participate in the international tender concerning the use of a missile carrier for implementing the satellite communication project 'Globar-Star,' which was undertaken by the American Corporation Space Systems."

Volodymyr Horbulin's role in Leonid Kuchma's election campaign, according to information from well-informed sources, was fairly important. Although the nature of this information makes it impossible to hope that if published it would not be used by various political forces in the complicated game surrounding the buildings on Bankovskaya and Grushevskiy, it fully explains why immediately after the elections V. Horbulin was included in the extremely limited circle of individuals (three to five people) who directly influence the president's adoption of decisions regarding various issues. Then the leader of L. Kuchma's election staff, Valeriy Pustovoytenko, who since 23 September 1993 had held the post of vice president of the Ukrainian State Construction Corporation headed by the current deputy prime minister V. Plitin and who successfully

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(judging from the results of L. Kuchma's election) combined activity in this position with the post of deputy chairman of the Expobank Credit-Financial Union, the same one who on 25 May 1994, under the cover of the all-Ukrainian presidential race, was dismissed by an edict of L. Kravchuk from state customs, which paid off credit not repaid to this bank on time in the event that a suit might be filed in the arbitration court of Ukraine against Ukrainian enterprises, and also the deputy chairman of the Goskomizdat [State Committee of the USSR Council of Ministers on Publishing, Printing, and Book Trade] of Ukraine, Dmitriy Tabachnik, on 21 July 1994 became a minister of the Cabinet of Ministers and chief of the administration of the president of Ukraine, respectively.

The growth of Volodymyr Horbulin's influence during the time of Leonid Kuchma's presidency can be arbitrarily divided into three stages. First—July-August of last year, after which the president signed the first documents pertaining to the sphere of providing for Ukraine's national security. They did not appear until 23 August 1994 but they were in the category of primary: the main regulatory document of the national security council of Ukraine, "Statute on the SNB," was published along with the president's first market edict, "On Improvement of Currency Regulation" and the edict on dismissing V. Radetskiy from the position of minister of defense of Ukraine.

The second stage—October-November 1994, when Volodymyr Horbulin was greatly reinforcing his positions in several political arenas at the same time—on 10 October the president placed the SNB under the jurisdiction of the National Institute of Strategic Research, and on 17 October V. Horbulin was appointed secretary of the National Security Council under the president of Ukraine-adviser to the president of Ukraine on questions of national security, and on 22 October 1994 the edict on members of the Presidium of the National Security Council under the President of Ukraine was published and included the name of V. Horbulin. On that same day Volodymyr Pavlovich became the chairman of the expert council of the Fund for Support of Research in the Sphere of National Security, for which the president appointed First Deputy Prime Minister Yevgeniy Marchuk as chairman of the supervisory council. On 18 November 1994 V. Horbulin became the official representative in the consultation committee of the presidents of Ukraine and the Republic of Poland and on 19 November—the chairman of the oversight council of the Ukraina Business Cooperation Fund.

The third stage—December 1994-February 1995, when Volodymyr Horbulin actually became the "president's right-hand-man." In December 1994 the Commission on Questions of Nuclear Policy and Ecological Safety was placed under the jurisdiction of the SNB and the SNB was named as the client in the creation of the Situation Center, which is discussed in greater detail below. The president instructed V. Horbulin to prepare official decisions, for example, proposals on improving the structure of management of the economy, on reforming the Cabinet of Ministers (the jurisdiction of the acting deputy prime minister and a minister of the Cabinet of Ministers), and on the future development of the military-industrial complex of Ukraine (the jurisdiction of Deputy Prime Minister V. Shmarov). The sphere of V. Horbulin's activity began to include key aspects of the reformation of the economy and state power, international relations, foreign investments, and, of course, national security.

The events listed above were partially the result of and took place against the background of the back room political struggle within the administration and government, but within the framework of this article it seems expedient to deal only with the aspects of this struggle that are directly related to events that have occurred and are occurring, generalized in L. Kuchma's thesis as the process of the creation of a "strict executive vertical." And the subjects worthy of research are not conjectures that characterize or evaluate the actions of officials in the high state apparatus but facts which in this case are documents issued under the signature of the president of Ukraine.

Ukrainian Credit Fund and Ukraina Fund

The last months of L. Kravchuk's rule were characterized by Ukraine's steady movement toward a financial-oligarchic system. Simply put, a certain caste of very rich people was formed, people who got along well with one another and with the industrial director, who thought that Ukraine was their property, and who kept small sums of currency in foreign banks (frequently glass) and somewhat larger sums in completely unprotected accounts in Western banks.

It is difficult to say whether the leaders of the Ukrainian Credit Fund (UKF), who became known because of the scandal with government commercial bonds, were among this group of people. The UKF was created on 18 March 1994 by an edict of President L. Kravchuk and at the helm of the fund were K. Prodan and V. Shmelev. Konstantin Prodan was not a dilettante in politics, his last party position was manager of affairs of the Central Committee of the Communist Party of Ukraine. On 8 July, on the eve of elections of the president of Ukraine, V. Shmelev was dismissed from the position he held by an edict from L. Kravchuk, and K. Prodan became president of the UKF.

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Most likely it was the parallel existence of the UKF and the Agency for International Cooperation and Investments, created back on 2 March 1993 by a decree of the Cabinet of Ministers signed by L. Kuchma and V. Pustovoytenko to accomplish similar goals, and not any other factors that dictated the decision of President L. Kuchma, who after the well-known statement by Ukraine Supreme Council Deputy A. Kvyatkovskiy to the effect that the "money of the UKF is being accumulated in a bank in Zurich," published on 10 December 1994 an edict on the elimination of the UKF with a subsequent inspection of its activity by powerful departments. This same decision invalidated Edict No. 385 of L. Kravchuk on the appointment of Konstantin Prodan as president of the UKF. As Olga Kolinko, deputy general procurator of Ukraine, reported recently in the press, the UKF had "lost control" of 10 bonds worth an overall total of $2.5 billion.

There is also another explanation for the events surrounding the UKF based on the fact that one of the founders of the UKF was Prominvestbank of Ukraine, which is headed by the former chairman of the board of the National Bank of Ukraine, V.P. Matviyenko, and in 1978 was the manager of the Dnepropetrovsk Oblast branch of the USSR Stroybank. This bank (Prominvestbank—V.P.) also held UKF accounts. It is extremely interesting that Prominvestbank became one of the founders of the Ukraina Business Cooperation Fund (FBS Ukraina) which was established by an edict of President of Ukraine L. Kuchma on 19 November 1994 in order to implement tasks for "the creation of an executive mechanism for interaction between the state and private sectors of the economy..... support of innovative programs," and other purposes. Certain observers are inclined to see a direct connection between the closing down of the UKF and the beginning of the activity of the FBS Ukraina), the statute on whose activity was approved by L. Kuchma only two months later, specifically on 18 January 1995.

At first glance the spheres of activity of the UKF and the Ukraina Fund intersect thematically only in one aspect: In point 6 of the statute on the FBS Ukraina it is stated that "the fund....shall establish direct business contacts and relations with foreign partners in order to attract progressive technologies and foreign investments to Ukraine."

Incidentally, one need not have too much imagination to see what real influence on the formation of the situation surrounding foreign investments could be exerted by a fund created by a presidential edict. Moreover, the style of the statute on the FBS Ukraina is distinguished by a certain elegance as compared to the crude wording in the statute on the UKF. For example, the wording of the essential difference between the activity of the FBS Ukraina and the activity of the UKF is that, according to L. Kuchma's edict on the FBS Ukraina, "....the fund shall be exempted from payment of taxes, fees, and other mandatory payments into the budget and contributions to state target funds; revenues into the Fund in foreign currency shall not be subject to mandatory sale, and taxable income (profit, proceeds from sales) shall be reduced without limitation by the amount contributed by the subject of entrepreneurial activity into the Fund under the condition that the Fund uses these revenues for philanthropic purposes...."

Similar highly beneficial conditions for the Fund's existence strike one in another case as well: in the creation of the Fund for Support of Research in the Sphere of National Security. It so happened that the oversight council of the Ukraina Business Cooperation Fund and the expert council of the Fund for Support of Research in the Sphere of National Security, by a decision of the president, is headed by Volodymyr Horbulin.

The National Security Council

One of the postulates of President Kuchma's inaugural speech was the newly elected president's intention "to create a strict vertical of executive power on a legal basis." The air began to be filled with assumptions about a certain autocratism on the part of the new president, and regular mention by his team members of Pinochet and the need for strong authority essentially reinforced the impression of the "strictness of the style of government of Leonid Kuchma," but at the same time they lost sight of the part of such statements that contained the no less important but somewhat more "fluid" wording— "...on a legal basis."

Yet in the situations encountered everywhere in which certain laws can contradict certain others and all of them together may contradict the Constitution, this expression is hardly a key one. Actually, the persistent pressure on the Supreme Council to adopt the presidential draft "Law on Authority" is nothing other than an attempt at least somehow to figure out the responsibility in the state and the areas of jurisdiction of the legislative, judicial, and executive powers as well as the rights of the Center and the regions, that is, to determine exactly what the wording "on a legal basis" means.

Incidentally, there are already examples of how skillfully President L. Kuchma interprets to his advantage the existing laws that have categorically rejected—for example, the one of 4 February—the persistent proposals from the communist opposition to occupy the seat of head of the government. It would be difficult to call

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the president's arguments irreproachable in this case—Leonid Kuchma characterized the decision of the Presidium of the Supreme Council on consideration of the question of a lack of confidence in the government as "incorrect" because of its "tardiness," since "first it is necessary to consider the law on power which stipulates that the president shall be appointed by the Cabinet of Ministers." But since the fate of the new law is still fairly unclear, the left-wing forces in the Presidium of the Supreme Council, implementing their "creative" plans, are acting fully within the mainstream of existing legislation, and it is another matter that this might not quite suit the president.

On 25 February Leonid Kuchma told the press that "in principle he does not support the idea of the existence of an executive structure without a prime minister but such a situation is possible only in the future, and now, during the transition period, the post of prime minister must be retained although, true, with somewhat different authority...." It is interesting that the actions of the communists in their desire to place the responsibility for the results of the activity of the government on the president remind one very much of the statement of V. Chornovil addressed to Leonid Kravchuk two years ago.

Although the reasons for L. Kuchma's statements about his unwillingness to directly head up the Cabinet of Ministers lie most likely in a banal fear of ending up on the extreme in the current pathetic economic situation, the president is skillfully taking advantage of the contradictions that lie in the mutual inconsistency between Article 114-1, which points out that he is the head of the executive power, and 114-5, point 6 of the Constitution of Ukraine in which it is determined that the president shall submit the candidacy of the prime minister for the consideration of the parliament.

There is good reason to think that the "strict vertical of executive power," and on a completely "legal basis," has found its embodiment in the assignment by the president of Ukraine of particular and extremely indicative functions to the National Security Council of Ukraine. On the one hand, there is no formal violation of the Constitution: In discussion with the opponent it is possible to borrow the reference to Article 114-5, point 7.1 of the existing Constitution of Ukraine, which points out that the president "in order to provide for execution of the Constitution and laws of Ukraine shall create, reorganize, and eliminate ministries, departments, and other organs of state executive power within the limits of the means of the budget approved by the Supreme Council of Ukraine." That is, as long as the president does not go beyond the framework of the budget he can actually organize the structures that he considers necessary.

The temporary statute on the SNB, approved by L. Kravchuk on 3 July 1992, said: "The National Security Council of Ukraine (hereinafter—Council) shall be a consultative-advisory organ in the system of state executive power under the president of Ukraine." On 23 August 1994 by Edict No. 469-94 President L. Kuchma approved the new statute on the National Security Council of Ukraine.

Certain points contained in this document are in need of clarification. The statute on the SNB, signed by L. Kuchma, determines that the Presidium of the SNB approved by the president shall include the prime minister, the secretary of the Council, and the deputy prime ministers in charge of "questions of the maintenance of law and order, defense, the military-industrial complex, and other aspects of national security." But now, after V. Masol's retirement, the Presidium of the SNB includes L. Kuchma, V. Horbulin, Ye. Marchuk, and V. Shmarov. On the one hand, these are the people directly in charge of "questions of maintaining law and order, defense, the military-industrial complex, and other aspects of national security"—the president, the secretary of the SNB, the acting prime minister who has jurisdiction of questions of fighting organized crime and the deputy prime minister for the military-industrial complex. Explanations of the fact that the members of the Presidium of the SNB do not include S. Osyka, deputy prime minister in charge of the most important part of providing for Ukraine's national security—foreign economic activity—are not very convincing and provide soil for conjecture.

But the most significant difference between the SNB of L. Kuchma and the SNB of L. Kravchuk, which worthily paid the most constant attention and which is of key importance for an understanding of the real role of the SNB in L. Kuchma's times, lies in point 5 of the Statute: "...decisions of the Council and its Presidium shall be binding for organs of state executive power." This point immediately generates a mass of problems: Why, for instance, especially point out this "mandatoriness" when decisions of the president, according to Article 114-6 of the Constitution, are in any case "mandatory for execution throughout the territory of Ukraine"? What is the point in duplicating the point contained in the Constitution?

There are certain points of this statute which, while not legally irreproachable, have somewhat frightening overtones. At the present time, however, there is no good reason to think that these legally not irreproachable provisions are in any way different from the legally incorrect wording.

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Moreover, granting the right to adopt decisions to the SNB and its Presidium is necessary for normal functioning of the state, for in the event of the appearance of emergency situations there must be a mechanism for efficient decisionmaking, the existence of which is envisioned by legislation of all civilized countries of the world. But in order to avoid the most diverse misinterpretations of SNB, it does not seem out of place to clearly define the situation in which the Council receives the right to make independent decisions and in which cases it must remain only an advisory organ under the president of Ukraine.

It should also be said that the very existence of the SNB to some degree compensates for the lack of a "law on authority," for Leonid Kuchma has emphasized many times that his goal is to reinforce the strict vertical hierarchy of executive power. It is known that now the president does not have the right to issue edicts on questions regulated by laws adopted by the Supreme Council in its time, but such restrictions are not envisioned for the SNB. The general economic crisis in the Ukraine, exacerbated by Russian politics, the reverberations of armed conflicts in Yugoslavia and Chechnya, the threat of domestic strikes and even existing problems in tax relations between the regions and the center—all these factors may in a certain situation be interpreted as a real and immediate threat to the national security of Ukraine and, hence, as an occasion for the SNB to become active.

The daily work of the SNB and its Presidium is led by the secretary of the Council of the National Security Council under the president of Ukraine and adviser to the president of Ukraine on national security questions, Volodymyr Horbulin.

The Situation Center

On 10 December 1994 by an edict of President Leonid Kuchma the SNB was placed under the jurisdiction of the Commission on Questions of Nuclear Policy, and the Council was named as a client in the creation of a situation center. It is interesting that in the documents of the president's administration not too much is said about the situation center and its functions. The edict "On the Commission on Questions of Nuclear Policy and the Situation Center Under the President of Ukraine" says that this decision is being made "in order to increase the effectiveness of the work of the structures created under the president of Ukraine for handling questions of nuclear policy and situational administration." By the directive "On the Situation Center Under the President of Ukraine," L. Kuchma appointed as chief designer of the Situation Center of the President (STsP) the director of the Institute of Problems of Mathematical Machines and Systems of the National Academy of Science of Ukraine, A. Morozov.

The statute on the goals and functions of the Situation Center have not been published and therefore it is still difficult to judge which tasks were set by the current president of Ukraine for this structure. Theoretically, the phenomenon of managing the country from a situation center is nothing new. In the United States there are three situation centers that duplicate one another's work in crisis situations. Crises in any country, including in Ukraine, are principally different both in character and in intensity, and even from this standpoint the creation of a situation center in Ukraine is justified.

The space in this article makes it impossible to delve deeply into the technology of the operation of the STsP but, according to certain reports and normative documents, it is a technical analytical structure that makes it possible for the president of Ukraine to have the necessary independent information and a set of versions of decisions that enables him to make a decision independently and ideally provides for promptness, concreteness, and specificity of those to whom the decision is addressed.

If one assumes that President Leonid Kuchma has not made any changes in the main functions and technology of the operation of the Situation Center, and, we repeat, the new statute on the work of the Situation Center has not yet been published (certain analysts assume that the statute on the Situation Center may be secret), we have a fairly effective structure which in terms of the completeness of its supply of technology and information could become the most powerful in Ukraine. The Situation Center of the President of Ukraine on 10 December 1994 was placed under the jurisdiction of the National Security Council of Ukraine, which is headed by SNB Secretary V. Horbulin, who "makes decisions that are binding for all organs of state power."

Volodymyr Horbulin and Yevheniy Marchuk

And so the concentration of power in the hands of V. Horbulin is a fact which cannot be ignored, just like the existence of certain problematic aspects in the Statute on the National Security Council. These facts must ultimately lead to an answer to the question of what all this means in reality. To what end can this power be used?

V. Horbulin is a person who is indeed, as they say, powerful, who has an unusual ability to work. The apparatus training produced a type of person in whom the ability to work long and hard along with cold-bloodedness were mandatory characteristics. Nor is

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there any doubt of V. Horbulin's personal long-term devotion to the president. Therefore the current secretary of the National Security Council fits in quite well with the principles cultivated by L. Kuchma of "strict executive vertical," although this vertical hierarchy far from always means normal life in the ordinary sense of the word. Incidentally, other leaders are also able to work hard, are cold-blooded, and are energetic.

Therefore a consideration of V. Horbulin's activity would be known to be incomplete without an analysis of the activity of another, no less strong leader, who is Yevheniy Kirillovich Marchuk, former chairman of the Security Service of Ukraine.

Anyone who wishes to figure out the stratagems in the interrelations between members of the SNB and the secretary of the National Security Council of Ukraine and acting prime minister, who has worked his whole life in state security organs, will have a difficult time, and not only because information like this rarely becomes the property of the press. And information of a similar nature, which anyway "leaks" from the upper levels of Ukrainian power, should be used extremely cautiously: Cases where journalists are "fed" certain information that is actively used for purposes that have nothing to do with journalism are becoming far too frequent.

The history of relations between Ye. Marchuk and L. Kuchma is not as long as the history of joint work of V. Horbulin and L. Kuchma. It can be traced back to 24 March 1991 when L. Kuchma became a member of the Commission of the Supreme Council on Questions of Defense and State Security.

The way Ye. Marchuk's career soared after L. Kuchma's victory is interesting in itself since many observers at the time thought that Ye. Marchuk would be added to the cohort of retirees from the special services: There was too strong an impression that during the four years of his leadership of the special service Ye. Marchuk never once was the subject of concrete criticism, and it was not possible to "attribute" to him problems of shipping many millions of dollars worth of products out of the Ukraine, although attempts were made to do this. How and why this occurred is a subject for a separate discussion; something else is important here—Ye. Marchuk entered the president's inner circle and subsequently obtained two new appointments—first deputy prime minister, then acting prime minister.

Many people who have worked with Ye. Marchuk previously in the SNB during L. Kravchuk's times note that he is devoted to a nonpublic, "quiet" method of solving critical political problems actually, as he himself calls it, by "laboratory analysis." Incidentally, Ye. Marchuk admitted this himself when analyzing the problem of Crimea in a statement in the press. It seems that this style is typical of Ye. Marchuk, as is the ability to solve his own problems by the most diverse means, including through utilizing the possibilities of his own political opponents.

The "unfolding" of Ye. Marchuk's activity came in October of last year when he headed up the work group on Crimea created by the president of Ukraine. Before he came, the presidential side in the negotiating process between Kiev and Simferopol was represented by the leader of the group of aides of the president of Ukraine, A. Razumkov. On 24 October 1994 Ye. Marchuk, after the well-known September standoff in Crimea between the parliament and Yu. Meshkov, took an inspection trip to Simferopol, during which, as was reported in the press, "25 people from central Ukrainian ministries and departments in groups of two will study the economic situation in the population points of the peninsula." In January 1995 Ye. Marchuk headed up the Coordination Committee on Fighting Corruption and Organized Crime.

Subsequently Ye. Marchuk's activity was almost completely concentrated on the Ukrainian-Russian negotiating process. Emphasizing at news conferences the president's personal contribution to the process of these negotiations, Ye. Marchuk on behalf of the Ukrainian side signed a number of documents pertaining to cooperation of Ukrainian-Russian border areas and also increased cooperation of enterprises of the Ukrainian-Russian military-industrial complex.

Many observers, analyzing the development of relations between V. Horbulin and Ye. Marchuk, note as an undoubted plus for Ye. Marchuk his large amount of experience working with macro-social systems. This conclusion can be confirmed to a certain degree if only by the fact that Ye. Marchuk headed up a state structure with a large number of employees and, consequently, has a great deal of experience working in managing such systems. Other observers note as important the fact that on 22 October 1994 by and edict of the president Volodymyr Horbulin was appointed chairman of the Expert Council of the newly created Fund for Support of Research in the Sphere of National Security, and Ye. Marchuk—chairman of the oversight council of this Fund. Even then it was clear that the process of balancing authority between V. Horbulin and Ye. Marchuk had entered a certain phase of certainty.

It is quite obvious that Ye. Marchuk and V. Horbulin were able to make themselves necessary to the president primarily because of everything they had learned from their preceding work. Incidentally, Ye. Marchuk and V.

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Horbulin share one circumstance—both of them have certainly not been winners all their lives—both have had moments of advancement and relative failure, but to evaluate their relations simply as some kind of competition, a struggle to influence the president's policies, it seems, would be a very great oversimplification.

On the one hand, the delimitation of the jurisdiction between Ye. Marchuk and V. Horbulin at the present time is fairly distinct. Ye. Marchuk has jurisdiction at the present time over leadership of the Government of Ukraine and V. Horbulin has jurisdiction of the management of the SNB and coordination of its actions with power structures. The planes of intersection of the activity of V. Horbulin and Ye. Marchuk from this standpoint are not of a confrontational nature.

Underwater Currents

The rapid ascent of Yevheniy Marchuk's political career has made significant changes in the political scene in the president's inner circles. No less significant is the fact that the concentration of a powerful analytical apparatus under the leadership of V. Horbulin quite considerably reinforces his positions in the president's administration. This is especially shown by the latest personnel moves in the high echelons of state power which have forced a new evaluation of the alignment of forces that existed there at the time. Thus it seems that the simultaneous strengthening of the positions of Volodymyr Horbulin and Yevgeniy Marchuk makes it pointless to have the already fairly arbitrary division of the president's administration into Kiev and Dnepropetrovsk groups, the existence of which was admitted in a news interview at one time by a minister of the Cabinet of Ministers, V. Pustovoytenko. Possibly now the closest to the truth is a description of the presidential team as a combination of several (minimum of four) groups that do not have clearly defined boundaries, that intersect with one another and mutually influence one another, as a result of which the president's decision "when it emerges," comes out with a somewhat unexpected result.

The "Dnepropetrovsk people" have been greatly strengthened—on 9 March 1995 Volodymyr Yatsuba, former first secretary of the Dnepropetrovsk City Party Committee, was transferred to the position of deputy chief of the administration of the president of the Ukraine which had been held by D. Tabachnik. In the words of one of the workers of the administration of the president of Ukraine, V. Yatsuba now controls a significant part of the decisions made by the administration. Transferred to the position of leader of the Humanitarian Service of the President of Ukraine from the Institute of Strategic Research controlled by V. Horbulin was Vasiliy Kremen, doctor of philosophical sciences, who worked in 1986 as an instructor and sector chief in the department of science and educational institutions of the CPSU Central Committee, and during 1991-92—as deputy director of the Institute of Sociopolitical Research of the Russian Academy of Sciences. Observers express the opinion that Volodymyr Horbulin has now largely succeeded in balancing out the influence of the chief of the president's administration, D. Tabachnik. But to this very day applications for various positions in the National Security Council are approved by Dmitriy Tabachnik.

All these circumstances characterize better than anything else the work style of L. Kuchma—president of Ukraine, who, as is said by one of his closest coworkers in Yuzhmash, who now holds a very high post in the Ukrainian political establishment, is not very different from the work style of L. Kuchma—director: receive a proposal from a group or individual who generates an idea, test this proposal in various groups as an anonymous viewpoint, obtain a reaction from them, test this reaction with the initial generator, and then, having come up with not a proposal but a concept, persistently and stubbornly, willfully realize it. Therefore the assumption that the only real player in the president's administration is President L. Kuchma himself, who manages to rely simultaneously on four groups whose interests far from always coincide, after careful analysis does not seem to be a great exaggeration.

Economic Issues

Closure of 20 Unprofitable Mines Authorized

WS1205085695 Lvov INFOBANK in English 0829 GMT 12 May 95

[From the "News Service" feature]

[FBIS Transcribed Text] An order from the Cabinet of Ministers upheld a proposal made by Ukraine's Ministry of the Coal Industry regarding closure of the 19 least profitable coal mines and of one strip mine. As early as July 1 of this year, work will be halted at the "Khartsyzka" (ZHOVTENVUHILLYA manufacturing association), "Sverdlovska" (SVERDLOVANTRATSYT manufacturing association), "Novovolynska" No. 2, and "Svitlopolska" (UKRZAKHIDVUHILLYA manufacturing association) mines and at the "Balakhovsky" strip mine (OLEKSANDRIAVUHILLYA manufacturing association).

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One-Fifth of State Farms Privatized in Ukraine

LD1205083395

[FBIS Editorial Report] Kiev UNIAN in Ukrainian at 1730 GMT on 11 May transmits a brief report that by 1 April 1995, 303 state farms were privatized in Ukraine, that is, 20.3 percent of the total number, according to Oleksandr Tarasenko, deputy head of the State Property Fund. The agency added that 31 percent of companies in the agro-industrial complex's processing sector have also been transferred to private ownership.

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Belarus

Minister on Use of Belarusian in Education

WS1205094895 Minsk BELAPAN in English 0829 GMT 12 May 95

[FBIS Transcribed Text] Belarusian is a state language and in the future will be given financial support from the state. This was declared by the minister of education and science Vasil Strazhaw at a press conference which took place on May 11. In his opinion, the [14 May national] referendum, which includes the question of the status of the Russian language, does not infringe upon the statehood of the Belarusian language. Commenting on the situation in the observance of the law on languages the minister cited some figures. For instance, in 69 percent of the pre-school institutions in the country Belarusian is used. Out of the 4,859 secondary schools 3,140 conduct the educational process in the Belarusian language, 236 — in Russian, 1,482 — in both languages. 75.3 percent of first-form pupils started their studies in Belarusian this year. Approximately 20 percent of pupils in the 6-11 forms are completely educated in Belarusian. However the Russian language predominates as a language of education at secondary schools: 59.4 percent of school-children are being educated in Russian, 40.6 percent — in Belarusian. According to Mr Strazhaw, 73 percent of the colleges that train educationalists for primary schools and pre-school institutions use only Belarusian in the educational process. In the major part of vocational training schools in Belarus the teaching is conducted in Russian. Only 5-7 percent of the higher technical educational institutions are conducting education in Belarusian. Teaching in the state language is carried out in the main at humanities faculties. However the passing of state examinations and the defence of degree theseys are conducted strictly in Belarusian. The same is as regards the entrance exams for post-graduate courses.

Answering the question about his attitude to the referendum, in particular to the question of the granting of the status of a state language to the Russian language side by side with Belarusian Vasil Strazhaw declared that he was a minister who had been appointed by the President and would execute his instructions. But the minister refused to tell the press what would be his answer in the referendum, declaring that this was his own affair.

At the press conference some other figures were cited. In particular, according to Mr Strazhaw, at present in Belarus there are 317 Polish, 5 Lithuanian, 2 Ukrainian and 2 Jewish schools. 63 percent of Belarusian schoolchildren study English, 25 percent — German, 10 percent — French, and 2 percent — Spanish.

Paznyak Prevails in Libel Action Against President

WS1205094995 Minsk BELAPAN in English 0829 GMT 12 May 95

[FBIS Transcribed Text] On May 11 the judicial collegium for civil cases of the Supreme Court of Belarus, under the chairmanship of Ivan Mints, examined at its open sitting the libel action of the chairman of the Belarusian Popular Front [BPF] Zyanon Paznyak against President Alyaksandr Lukashenka. The grounds for the action was a statement which had been made by the president at the Supreme Soviet session on December 20 last year. Alyaksandr Lukashenka then declared that speaking at a mass meeting on December 18 the BPF leader allegedly urged people to go to Chechnya to defend that country from Russian invaders.

In reply to the deputy inquiry to the Prosecutor's Office it was declared that evidence of the call to take part in the hostilities had not been recorded. During the sitting Mr Paznyak explained that the president's statement discredited him as a politician and as an adherent of Belarus' neutrality, and humiliated his dignity and honour. In this regard it should be refuted through the mass media.

The representative of the defendant, the deputy chief of the Presidential administration Mikhail Sazonaw, submitted a copy of a reference entitled "On political actions in the city of Minsk from December 17-18, 1994", which had been prepared by the Committee for State Security for Alyaksandr Lukashenka. According to Mr Sazonaw, on the grounds of that reference "the President voiced his assessment of the events that took place at the December 18 mass meeting". The deputy chief of the Presidential Administration declared that he thought that the examination of this case at court was necessary for the BPF on the eve of the parliamentary elections as the popularity ratings of this organisation were falling. And the president, interpreting the KGB information, had no malicious intent to insult Mr Paznyak. However, as it turned out at the sitting, in the KGB reference there was no data from which one can conclude that the BPF leader urged to go to fight in Chechnya. Quite the contrary, the militiamen who maintained public law and order at the rally testified that calls for the solution of the Chechen problem in a peaceful way were voiced there. On these grounds the judicial collegium decided to declare information containing in the speech of President Lukashenka at the parliamentary sitting on December 20 not corresponding with the facts. According to the collegium's decision, this information should be refuted in one of the national radio newscasts.

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Commenting on the results of the proceedings Zyanon Paznyak defined them as an extraordinary event. "That does credit to the judge who strictly followed the law and acted in the way every judge in a legal state must", he said. As for the decision to make public the court's verdict only through radio, though the plaintiff wanted this to be done through television and the press as well, Mr Paznyak said: "I will obtain satisfaction in a lesser degree than I expected. But it is important that I will. I want to be noble".

Oshmyany Rayon Declared 'Frontier Zone'

WS1105140795 Minsk Radio Minsk Network in Belarusian 1200 GMT 11 May 95

[FBIS Translated Text] Since 1 May, the territory of Oshmyany rayon has been declared a frontier zone. In connection with this, the rayon may be visited only by those people who have relatives living there. Buying a ticket for the trip will be possible only with an appropriate permit [davedka]. Those having close relatives in the rayon will be granted such documents valid for one year, while those having distant relatives — for one month.

Central Bank Head on Ruble Stabilization

WS1105144095 Minsk BELAPAN in English 1204 GMT 11 May 95

[FBIS Transcribed Text] On May 10 the chairman of the National Bank and a candidate to an MP of the Supreme Soviet Stanislaw Bahdankevich held a press conference at the National Press Centre. An appeal of Stanislaw Bahdankevich to the voters of the Republic of Belarus was read out. In particular the appeal reads: "Further progress is possible on condition that drastic transformations in the economy as a whole are carried out, and, of course, a corresponding legislative base is created. However... I have to establish that everything possible is being done so that the elections to the new Supreme Soviet designated to make laws will not take place... The idea that it is quite possible to live without parliament is being successfully suggested to the citizens of Belarus. The situation is arising when the economic crisis may be supplemented with a crisis in the legislative power, and the process of consecutive lawmaking may be disrupted..."

In Mr Bahdankevich's opinion, all this is evidence of the fragility of the democratic transformations in Belarusian society, and creates conditions for the introduction of an authoritarian system of government.

Mr Bahdankevich holds that the restrictions in preelection agitation infringe upon the constitutional right of voters to timely and complete information. That is why he urged all those on whom this depends to authorize the appearance of candidates on TV, radio and central periodicals if only in the second round of the elections.

Answering journalists' questions Mr Bahdankevich said that in the national referendum he would vote against all the questions proposed by the President with the exception of the point of economic integration with Russia.

Then the press put questions addressed to Stanislaw Bahdankevich as the National Bank chairman. He cited interesting data about the state expenses on the printing of Belarusian money. For instance, the manufacturing of "hares" cost over 7.3 million dollars, and about 13 million dollars have already been spent on the printing of new Belarusian rubles. And if in the national referendum people will speak for the change of the state symbols (the coat of arms "Pahonya" is pictured on the banknotes), the same sum may be required from the budget again. According to Stanislaw Bahdankevich, the National Bank does not plan the introduction of a new currency in Belarus this year. Touching on the stability of the exchange rate of the Belarusian ruble, the chief banker of the country said that at present there are two points of view about this subject. One of them, which is adhered to by Prime Minister Mikhail Chyhir, is that a long stability of the exchange rate will automatically lead to the economy of resources by manufacturers and, consecutively, to the reduction of prices on goods, rise in competitiveness of Belarusian products, and the improvement of the general economic situation in the country. The head of the National Bank spoke in favour of the second point of view (incidentally, it was seconded by Yegor Gaydar, the head of Russia's Institute of Economics in the Transitional Period, during his recent visit to Minsk). It lies in the fact that currency stabilisation should be accompanied by other actions aimed at economic recovery, such as full-scale privatisation, transformation of large and medium enterprises into joint-stock companies, the liberalisation of foreign trade and so on. According to Stanislaw Bahdankevich, for the time being the slight devaluation of the Belarusian ruble with a view to support Belarusian exporters will be only for the good. Unfortunately, at present the point of view of the prime minister is prevailing of which the recent reduction of the refinance rate for commercial banks, which was carried out at his urgent request, is evidence.

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Moldova

Lebed Explains Decision To Continue as 14th Army Commander

LD1105090895 Moscow ITAR-TASS in English 0815 GMT 11 May 95

[By Leonid Kotov]

[FBIS Transcribed Text] CHISINAU, May 11 (Itar-Tass) — Lt Gen Aleksandr Lebed today announced he would not step down as the commander of the 14th Russian Army stationed temporarily in Moldavia's Dniester region.

The general told Itar-Tass that he would speak about the motives for the decision at a press conference scheduled for May 12 in Tiraspol.

The announcement came after the question about Gen Aleksandr Lebed's command career was raised in April when the Russian Defence Ministry issued a directive to reorganize the 14th Army command.

Defence Minister Pavel Grachev subsequently told journalist that the 14th Army was to be "reorganized not because of a whim of one or another official but exclusively proceeding from the situation in which Russia has found itself".

The Minister said that in the new geopolitical situation Russia sees no point in maintaining "the inflated army headquarters" and can hardly afford to do so. The Minister said a mere six thousand men were commanded by an excessively large number of officers; he pointed out that there was one officer per every four men.

Meanwhile General Aleksandr Lebed expressed disagreement with the directive concerning the reorganization of his army command which would effectively "behead the command of the army stationed in the Dniester conflict zone". He noted that the mafia-style structures in Tiraspol were eager to seize the army property and armament.

According to information obtained by Itar-Tass in the Defence Ministry, Lt Gen Aleksandr Lebed was given several options to choose from: a deputy commander of the Trans-Baykal military district, a Defence Ministry inspector, or a General Staff Academy student.

The Defence Minister who was displeased with Lt Gen Aleksandr Lebed's critical remarks leveled at the leadership of the Ministry declared that "the Army commander had better make his choice and decide whether to devote all his time to the military service or to discard his military uniform and engage in political activities in the parties and movements in which he participates".

Interview With Lebed on NATO Expansion

BR1105091595 Copenhagen BERLINGSKE TIDENDE SONDAG in Danish 7 May 95 (MAGASIN section) p 8

[Report on interview with Russian Army General Aleksandr Lebed by Flemming Rose in Tiraspol; no date given: "Don't Wake the Russian Bear"]

[FBIS Translated Text] The mood is one of activity and commitment. Spirits run high, and here you see an organization which makes people with an understanding of the Russian mentality to look on wide-eyed. The uniformed soldiers' eyes shine with a desire to serve, as they march across the square with a smile on their lips. The buildings are well kept and the lawns freshly mown.

The satisfaction at being a soldier in the 14th Army of the Russian armed forces is striking and is in sharp contrast to the sad, chaotic, and authoritarian sight that generally rule meets those who visit Russian military bases.

Why then are they so happy in the 14th Army which has its headquarters on the banks of the Dnestr in the former Soviet republic of Moldova, 1,400km southwest of Moscow? And why do young people make the pilgrimage to sunny Tiraspol to volunteer for the 14th Army, while conscripts in the rest of Russia do everything to avoid service and often desert from their places of service?

No one points to the good weather, the excellent Moldovan wine, or the region's beautiful women as the reason for this abnormal situation. However, everyone's face lights up at the question and they answer with one voice: "Commander in chief Aleksandr Ivanovich Lebed."

The 45-year-old general, who was born and grew up in the Don Cossacks' capital of Novocherkassk in southern Russia and who is half Russian and half Ukrainian, is spoken of with an awe and enthusiasm which are reminiscent of Boris Yeltsin, vintage 1989-91, when millions of Russians were pinning their hopes of a life in dignity and plenty to the man who had the courage and strength to stand up to the leadership of the Communist Party.

Today Boris Yeltsin is as unpopular as his then political rival, Mikhail Gorbachev, while the authority-seeking Russians are on the lookout for new leadership figures.

None of the soldiers BERLINGSKE TIDENDE spoke to among the 14th Army's 10,230 Russian citizens has any doubts about who they would vote for if

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their commander in chief were to run in next year's presidential election.

"It is obvious; he is the only one who can pull Russia up out of the mire," Colonel Mikhail Bergmann said.

The soldiers and officers of the 14th Army are impressed by General Lebed's professionalism and human qualities. Lebed takes the lead in his subordinates' combat training. He makes parachute jumps, sits alongside at tank control panels, and shoots better than his subordinates.

"He is a fantastic commander, and he has a deep sense of justice. There is no preferential treatment here, as there is elsewhere in the army," officer Igor Nikolayev said.

Today Aleksandr Lebed is the informal leader of the Russian Army. He has a position without parallel in the history of the Russian Army. Without beating around the bush he calls his superiors bandits and scoundrels, without them daring to harm a single hair on his cropped head. And asked who he would prefer as the country's next president, Yeltsin or former Vice President Aleksandr Rutskoy, his laconic reply on the television screen was:

"I am not inclined to replace an alcoholic with a schizophrenic."

President Yeltsin and Defense Minister Pavel Grachev, who Lebed remembers from the old days as "an intelligent man" who has now sold himself to a flock of corrupt and incompetent politicians, have attempted several times to get rid of the popular general, but each time they have failed.

In line with an agreement between Moldova and Russia on the withdrawal of the 14th Army the Russian Defense Ministry has decided to cut Lebed's forces in Tiraspol. Lebed has several times made it clear that he will resign as commander in chief if this decision is carried out. Instead he has been offered a post in exile as second in command of the east Siberian military district on the other side of Lake Baykal or as Russian defense attache in Beijing.

At present Lebed is in two minds and it cannot be ruled out that he will choose to leave the army to enter politics 100 percent.

[Rose] Will you run in next year's presidential elections?

[Lebed] I do not know.

[Rose] What will your decision depend on?

[Lebed] I will reach a decision when the situation arises. I am not sure that there will be presidential elections.

[Rose] But if there are?

[Lebed] We will have to see then.

General Lebed made his first mark as an avowed politician just over a month ago at the Congress for Russian Societies and Communities which has set itself the task of defending the 25 million Russians currently living in the former Soviet republics outside Russia. Aleksandr Lebed's speech took the form of a showdown with Vladimir Zhirinovskiy's expansionist and primitive nationalism.

Instead he called for reconciliation in divided Russian society and called on the Russian people to turn their gaze inward in self-communion and creative work. Lebed also said that military strength is still one of the main pillars of the current world order and that Russia must have a strong and fear-inspiring army which can defend the fatherland against intruders.

General Lebed's speech, larded with pregnant and suggestive phrases, almost raised the roof.

Aleksandr Lebed's popularity stretches far beyond the narrow ranks of the army, and that is why there are different rules for him than for the rest of the corps of officers. He is a symbol embodying the slumbering longings and feelings with which millions of Russians are ready to identify, if the opportunity arises: incorruptibility and a fearless determination to say openly what you think; national pride and fundamental dignity.

An hour and a half in the presence of General Lebed leaves an impression of a man who is more than a political figure who will be here today, gone tomorrow. With a firm gaze which does not wander from his interlocutor and a voice which with its vibrating bass far exceeds everything that modern hi-fi technology can produce and which must be able to make even the most unruly soldiers follow orders, Aleksandr Lebed radiates a charisma and a rebellious independence which could, under the right circumstances, mobilize the Russian soul to acts of heroism.

Down here Lebed is already being called Russia's new Aleksandr Nevskiy — the national hero who 750 years ago put Swedish and German knights to flight and made his way into the history books as the foremost example of the Russian art of war.

Aleksandr Lebed's biography is important for an understanding of his role in current developments. After experiencing the war in Afghanistan at close quarters in the early 1980's, he took part in most of the armed conflicts on the territory of the former Soviet Union.

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This gives his words a special authority and is part of the reason for his independent nature. Lebed has felt himself left in the lurch by the politicians so many times that he does not execute just any order which comes from above.

In 1988 Lebed was in Sumgait where Azerbaijanis were murdering Armenians. After that he was sent to Baku in 1990 where his elite troops were deployed to save the Azerbaijani Communist Party while Armenian women and children were being torn to shreds. Lebed was also in Tbilisi in April 1989 when 17 civilians were killed and the army made a scapegoat. None of the political leaders, including Gorbachev, wanted to take responsibility.

In September 1990 Lebed, as commander in chief of a parachute division in Tula, received orders to move into Moscow while the confrontation between Boris Yeltsin's Russia and Mikhail Gorbachev's Soviet Union was at boiling point. The situation repeated itself during the old communist coup in August 1991 when in the critical hours General Lebed suddenly found himself side by side with President Yeltsin in the White House (Russia's parliament).

"In all the flash points that I was dispatched to in those years I was never given written orders, and for some reason or other we never arrived until blood had begun to flow. As a rule I only received an unremarkable telegram with a text something like this: In the course of such and such a time you must see to the transport of your troops from point A to point B. You will be given this many aircraft. Work along the lines of the 'southern variant.'

"Every public prosecutor who reads such a text cannot raise any objections. It all falls back on you, if something goes wrong. This pattern was repeated everywhere," Lebed said.

[Rose] What do you think has been the most important lesson of these events?

"That this sort of ethnic or other civilian conflict cannot be resolved through the use of military force. Attempts were made to bring Azerbaijan, Georgia, and Lithuania to heel using military force, and where are these republics today in relation to the motives behind the use of force? And now this 'achievement' is being repeated in Chechnya. The best way to turn something into ruins is to start taking potshots at people. It is impossible to conquer a people militarily. It is pointless and a waste of time."

His "unique experience" — to use the Russian general's own words — came to his aid when in the summer of 1992 he was sent to Tiraspol where open war had broken out between Moldovan Government troops on the right bank of the Dnestr and the Moscow-backed secessionist movement on the left bank of the river. Lebed arrived at the 14th Army's headquarters under a false name. After acquainting himself with the situation he took matters into his own hands and five days later stepped forward publicly as the new commander in chief under his own name.

"I realized that it was more important to stop the war than to evacuate the families," said General Lebed, who threatened to hang Moldovan President Mircea Snegur from the nearest lamppost if he did not make his soldiers end the hostilities which, according to the Russian general, cost the lives of 4,000 people and wounded 10,000.

Thanks to Lebed's firm action, threats, and the use of oaths and curses which are not to be found in any dictionary and which have earned him the nickname of "the master of the art of words" among high-ranking officers, it proved possible to halt the accelerating war — an achievement which, whether or not you approve the methods used, saved large numbers of human lives and made Aleksandr Lebed a living legend.

And even if the Moldovan Government is not enthusiastic about Aleksandr Lebed's methods, there is a respect for his name as a guarantee of the three years of peace. The Moldovans are afraid that Moscow will lose control of the 14th Army if Lebed, as he himself has hinted, next week chooses to resign in protest at the announced cutbacks.

[Rose] A few weeks ago you turned the world upside down by declaring that an eastward expansion of NATO would bring with it the risk of starting World War III. What did you mean exactly?

"In his play 'The Seagull' the great Russian writer Anton Chekhov wrote that if there is a rifle hanging on the wall in the first act, then it is pretty certain that it will be fired before the play is over. If NATO is enlarged to the east to include the Central European and Baltic countries, we would figuratively speaking be hanging Chekhov's rifle on the wall and could only wait for the shooting to start. We would in other words be removing the buffer zone between Russia and NATO which ensures stability.

"The expansion of NATO toward the east can only be directed against one country, Russia, and Moscow is bound to react by annulling disarmament agreements it has entered into and making the transition to nuclear deterrence as the main element of its military doctrine. Will this make Europe more secure? I do not think so," Lebed said, asking a number of questions which

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revealed a chasm of distrust between the Russian general and the countries of the West.

"Also, much depends on actual people. No one can guarantee today that instead of the balanced, wise, and deeply reasonable German Chancellor Kohl we will not get a more radical leader in Germany with different ambitions. In 1991 we saw Operation Desert Storm in Iraq. Who can guarantee that the next operation will not be called Taiga Storm and be played out on the Russian steppes?" Lebed asked, adding:

"Russia lost the Cold War, and I have proposed that in front of the former KGB headquarters in Moscow where the statue of Feliks Dzherzhinskiy (founder of the KGB secret police — BERLINGSKE TIDENDE SONDAG editor's note) stood, a statue be raised of George Bush on horseback with the inscription: 'In honor of the victor in the Cold War.' An expansion of NATO would run the risk of waking the Russian bear from its slumbers, and that would mean new confrontations."

Chisinau, Tiraspol Hold World War II Ceremonies

AU1105143695 Chisinau INFOTAG in English 1447 GMT 10 May 95

[FBIS Transcribed Text] Chisinau, Tiraspol, 10/5/1995 — Dozens of thousands of Moldovan citizens came on 9 May to the War Glory Memorial in Chisinau to honor the memory of Soviet soldiers and officers killed at liberating the republic from Fascist invaders.

On the day of the 50th anniversary of the victory over Fascist Germany, wreaths were laid at the Eternal Fire on behalf of the Moldovan president, the parliament, and the government. By the end of the day, the granite plates of the memorial and the soldiers' graves were covered with hills of flowers.

President Mircea Snegur attended the ceremonies in Moscow in the company of over 50 leaders of world nations who came to the Russian capital to mark the jubilee.

On the same day, war veterans of the Romanian Armed Forces laid flowers to the Stefan cel Mare monument.

The 50th anniversary of the victory in the Great Patriotic War was marked in Tiraspol with a big pomp.

Early in the morning, the city saw a massive march of war veterans and a military parade of the armed forces of the self-styled Dniester Republic. A separate column was formed by the 59th Division of the Russian 14th Army.

After the military parade, citizens and guests enjoyed an artistic show and a rally, and solemnly laid flowers at the city war memorial. A big concert and mass entertainments lasted till late at night, when a bright artillery salute followed.

The military parade and the rally were attended by the 14th Army Commander Lt. Gen. Aleksandr Lebed. He is still in a firm opposition to the Tiraspol administration. Lebed did not ascend the official tribune, and left the jubilation soon.

The president of the unrecognized Dniester Republic, Igor Smirnov, has stated that "Moldova and Dniester should build their relationship the way equal-right states usually do." Speaking at the Victory Day rally in Tiraspol, Smirnov said that "Tiraspol offered to Chisinau to sign such a treaty. However, Moldova keeps on maintaining its positions of a unitary state's." "In words, Chisinau agrees to build its relations with Dniester the way Russia does with Tatarstan. However, in deeds, it seeks to solve the Dniester problem in the framework of the law on local self-government. This is unacceptable for us. And the sooner Chisinau recognizes Dniester as a separate state, the sooner we restore relations in all spheres," Smirnov said. In his opinion, "the militant nationalism in Chisinau has not yet gone to the past. Recent events indicate that somebody is still demanding to restore 'constitutional order' and to take measures to restore Moldova's integrity."

Smirnov stressed that proceeding from this, the Dniester administration suggested to Moldova to sign an agreement on the strict division of plenary powers, and on non-use of force. However, no positive answer followed so far.

The Tiraspol leader said that until these documents are signed, it would be premature to accept Moldova to the Council of Europe and to other international organizations, for "this would provide freedom of actions to advocates of the military settlement of the Dniester problem."

He said that in case a special legal status is granted to Dniester Russia and Ukraine should undertake a mission of guarantors of peace in the region.

IMF Official Urges Neighborly Cooperation

AU1105160995 Chisinau INFOTAG in English 1447 GMT 10 May 95

[FBIS Transcribed Text] Chisinau INFOTAG, 10/5/1995 — "A good news for Moldova" — that's how Mr. Michel Camdessus, IMF [International Monetary Fund] managing director, called the signing of agreements between the IMF and Russia and Ukraine. Mr. Camdessus visited Moldova last week.

The high guest said to INFOTAG that Moldova is in need of reforms not only in its own economy, but also

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in these of her neighbors. Chisinau has to establish a civilized partnership relationship with them, so that not governments and ministries, but also the companies themselves could conclude contracts with one another and achieve them efficiently.

Michel Camdessus reminded that the IMF had begun working in eastern and central Europe in 1989. "Those countries which were the first ones to achieve stabilization are now showing the fastest economic growth in Europe. These are Czechia, Poland, and even Albania. And economic decline persists in those countries which failed to stabilize their national currencies."

Mr. Camdessus stressed that the CIS countries have sound grounds to cooperate: common past, language, and economic relations. "We encourage all countries to build relations on the basis of pragmatism. We understand that different leaders have different viewpoints on such a cooperation. But, as Russian leaders said to me, they do not wish to restore the relationship of the past. Russia itself is advancing towards market, and, in Yeltsin's words, it wishes to establish civilized partnership relations with the CIS states, like with all other countries of the world."

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Kazakhstan

Nazarbayev's Speech at Victory Celebration

LD1105172595 Almaty Kazakh Television Network in Russian 1530 GMT 9 May 95

[Speech by President Nursultan Nazarbayev to a ceremony commemorating the 50th anniversary of the victory in World War II in Almaty on 9 May—live or recorded; passage within quotations in Kazakh]

[FBIS Translated Excerpt] "Dear friends, compatriots! Those who hastened the great victory! People who worked in the defense industry during all the war years! Today, we and all of progressive mankind, celebrate the 50th anniversary of victory in World War II. We are celebrating this holiday in a joyous atmosphere." [passage omitted]

I believe that we will lead Kazakhstan out of the crisis. I am saying that it is necessary to draw lessons from history, to draw the appropriate conclusions. Otherwise, we are doomed to flounder in a quagmire of sociopolitical and socioeconomic disorder. [passage omitted]

Coming back to the problems of the economy, I will note that we have managed, as a result of our moderately tough financial policy, to curb galloping inflation and to achieve a relatively stable exchange rate for the national currency, the tenge. Having become practically convertible, the tenge has helped to strengthen old economic ties between domestic and foreign manufacturers. The beginning of this year was marked by the overcoming of the slump in industry. Land in the republic is being allotted at an increased pace for the private and collective farms that are being set up.

I know that you participants of the war and workers in the defense industries, as well as all the people of Kazakhstan, are concerned, above all, about the near future, about what changes we can expect today, tomorrow, this year.

The task set before the government is to stop the slump in production by the end of the year in order to create the conditions for economic growth. It will be achieved by maintaining macroeconomic stability, increasing solvent demand, and increasing investment activity in the country. The government will continue the moderately tight financial, budget, monetary, and credit policy. It will implement its policy on the liberalization of foreign economic activity, on reforming ownership relations, on forming a market infrastructure, and on increasing financial and currency control.

[word indistinct] the main aim of investment policy for this year is [word indistinct] completing the facilities [word indistinct] electric engineering, transportation, communications, agricultural processing facilities, and also priority sites that are 80-85 percent constructed. The planned reform of enterprises goes together with inevitable measures to rescue or make bankrupt ineffective and loss-making entities, which as you understand divert huge resources from the budget that might be used beneficially for the maintenance of poor people.

Continuing the well-known metaphor that the Army is the backbone of society, it can be said that our society in Kazakhstan today is in itself a copy of that multinational army that liberated Europe from fascism 50 years ago. As a matter of fact, there are representatives of almost all the ethnic groups of the former Soviet Union who stopped the brown plague who are now living and working in Kazakhstan, in addition to the Kazakhs. [passage omitted]

I am saying all this to note once again that we are living in a multinational state, and world experience of development teaches us that the basic problem facing a state with a population structure of this nature is the problem of maintaining civil peace and interethnic accord. [passage omitted]

Fascism always starts from chauvinism and nationalism. It begins from false patriotism. I love my people, but I do not like other people. Do we today make a sharp enough judgment of those who conduct such a policy? I think not.

Today, celebrating 50 years since the great victory that has become possible only due to the friendship between all peoples, we have to say firmly that there will be no place for fuelling interethnic discord in Kazakhstan, no matter in what shape it presents itself in our state. [passage omitted]

We are connected with today's reality. The bitter truth is that conflicts are continuing on the territory of the former Soviet empire even after the end of the Cold War, in Eastern Europe and other corners of the planet. No modern state has the right to ignore them regardless of distance or proximity to the country. [passage omitted]

That is why it is an urgent and common task to build a new and comprehensive structure of mutual relations on the basis of which the development of international security and progress has to be built. It is profound and symbolic that Kazakhstan has already displayed its goodwill: the Semipalatinsk nuclear test site is silent, closed in 1991 by unilateral order, under one of my first presidential edicts. Work on the liquidation of the existing nuclear weapons is going on at full speed. I think it can be implemented like this, so that the last

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half century of nuclear tests should be the last ones in world history. [passage omitted]

We probably cannot speak today about the restoration of the former Soviet Union, but it is possible to preserve the positive relations between our states, the closeness of our peoples—our brotherhood in arms and also in civil life—to transfer to our children, to your grandchildren what we shared with you, our fathers, which never divided people into nations and ethnic groups or according to religious belief and so on. I also proposed the Eurasian Union, which has made us all closer and did not move our countries and states apart. [passage omitted]

Some of my colleagues, presidents, say: Let us wait a little. However, I can promise you one thing—that this is my principal option. I will continue this work. [applause] [passage omitted]

The war raged in Europe 50 years ago. Strictly speaking, however, it did not finish with the withdrawal of the last Soviet soldier from Eastern Europe, or when the countries of the socialist camp and the Baltic states obtained real independence. For the words of repentance and of equal responsibility for what was done, for kindling the Cold War, have sounded neither from this side nor from the other.

We are in debt before the victims of repression, the deported and the hundreds of thousands of prisoners who were in gulags. Yes, the Soviet Union has collapsed. There seems to be no one to demand the answer for this. However, the post-Soviet states—the former Soviet republics—have remained. The world is waiting for tangible developments from them.

I officially state from this rostrum that Kazakhstan deeply regrets the tragedy that happened—which maybe hindered world development—the arbitrariness that crippled many human lives. Kazakhstan stretches out a hand of friendship to all states who are ready for open and honest dialogue. I promise that our country will strive to prevent the smallest possibility of a return to the totalitarian past. It will do everything so that the world should know no more wars—neither cold nor hot. [passage omitted]

Your generation is the generation of firm people who overcame fascism, which was an unprecedented economic dislocation. However, it turned out to be a tragic generation who had to outlive the collapse of their past ideals, the symbols of the past life. Maybe, dear veterans, anyway it is worth casting off doubts and looking ahead today.

Yes, your lives were placed into the past system. It demonstrated the highest technical achievement in the field of armaments and space exploration and turned out to be incapable of meeting people's elementary everyday needs. At the same time, it held a sixth of the Earth's desert land and all known human riches and natural and underground minerals. Having gained victory in the terrible war, our system was defeated in the peaceful economic competition. It is difficult to speak about this. Unfortunately, it is a fact. We increasingly lagged behind even those countries that had nothing but their people, which had neither underground treasures nor a large territory.

I agree that life was poor but stable and predictable, and this suited many. For a state with potential as the richest in the world, this was a disgrace. This could not last long.

The Great Patriotic War was won with the lives and blood of millions of people. Subsequently, the economic competition was lost by the socialist system, finally and irrevocably, discrediting the winners of yesterday before the eyes of the rest of the world, before the eyes of those who were defeated, before their recent comrades-in-arms. The totalitarian regime could not ensure a worthy life for its people, and so it collapsed easily at the first formal occasion. As a result, theoretically speaking, the third world war was won without cannons or tanks. You are not to be blamed for this. This happened because of the historic groundlessness of the old system. This was a mistake of the time, the era that is retreating into the past. Now we are building a state, a new democratic society, whose economic basis will be the social market economy, which proved its efficiency. [passage omitted]

President Tells Industry to Implement Reforms

LD1105141995 Almaty Kazakh Television First Program Network in Russian 1100 GMT 11 May 95

[FBIS Translated Text] The president of the republic [Nursultan Nazarbayev] heard reports today by the heads of the West Kazakhstan and Dzhezkazgan regional administrations on the progress of economic reforms and the implementation of measures outlined by the Government of Kazakhstan for stabilizing the economy.

[Unidentified correspondent] First of all, I should note that these are not the first regions whose leaders have given accounts to the president of the republic on the work they have done. I will also note that the previous report by the West Kazakhstan leader, as well as the work in the region itself, was deemed unsatisfactory.

The situation there, as almost everywhere else in the republic, is now getting better. This is noticeable in Uralsk region, and even more noticeable in Dzhezkazgan region. In both regions the production volume is growing.

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particularly as regards copper and copper wire. In the agricultural sector, for example, almost the entire output volume is being produced by peasant farms, which have replaced collective farms as a result of privatization.

Nevertheless, as the president noted, there are still many shortcomings. The leadership is still acting sluggishly and unnecessary and unjustified hopes are placed in state help. The regions' own reserves are still being used inadequately. Therefore, Nursultan Nazarbayev stressed, there is still social tension, especially concerning the timely payment of pensions:

[Begin Nazarbayev recording] By 1 June, submit written reports on the measures you have planned. I am not saying that within this period one can implement everything. You understand that we have received the people's confidence, carte-blanche to activate things. Now, after the referendum [on extending Nazarbayev's term in office until December 2000], there must be no lethargy — the period of relaxation is over — but instead, [there should be] very active work in all areas. [end recording]

The trend toward improvement in the economy must be supported, consolidated, and developed, the president noted. These changes at the macro-level should be rapidly transferred to the micro-level, that is, the level of districts, cities, and enterprises themselves. This is the priority task of the moment, the president noted.

Kyrgyzstan

President Makes Detailed Declaration of Income

LD1105150395 Bishkek DELO NO in Russian 26 Apr 95 p2

[FBIS Translated Text] Declaration of the income and properties of Askar Akayev, president of the Republic of Kyrgyzstan:

I am Askar Akayev, born in 1944 in the village of Kyzyl-Bayrak in Kemin district. In 1968, I graduated from the Leningrad Institute of Precision Mechanics and Optics as a qualified mathematical engineer, specializing in computer technology. I am a doctor of technical sciences, a professor, an academician of the National Academy of Sciences, a member of the New York Academy of Sciences, an honorary member of the International Muslim Academy and of the Latin American Academy of Sciences.

In October 1990, I was elected president of the Republic of Kyrgyzstan. Before being elected to this post I worked as vice president and president of the Kyrgyz Academy of Sciences, and was a deputy of the USSR Supreme Soviet.

I state publicly that all of my past and present incomes and the properties and assets which are in my possession were obtained by me through honest and legal means. I hereby provide information about the sources of my income, including the incomes of members of my family.

1. My salary (gross income) is 3,474 soms a month. My academician's grant is 450 soms.

2. Members of my family:

My wife Mayram Akayeva: Head of the Technology Department at Kyrgyz State National University. Her salary is 515 soms a month;

My daughter Bermet: Works at the UN International Commmission in Geneva;

My son Aydar: A student at the Department of International Economics at the University of Maryland, United States;

My daughter Saadat: A pupil at the school for the children of UN personnel in Geneva;

My son Ilim: A pupil at High School No. 6 in the city of Bishkek.

3. No member of my family owns any private company or occupies any post in the management of any company, bank or shareholding association.

4. My salary at my previous post (president of the Academy of Sciences, 1990), including academician's grant, was 1,250 rubles a month. Since 1980 I worked at highly paid posts corresponding to my status as professor and doctor of sciences (where average payments were 500-900 rubles per month).

5. Royalties (fees for authorship of published books): "Coherent Optical Computers", Leningrad, 1977 — 30,000 rubles; "Optical Methods of Data Processing", Moscow, 1988 — 16,000 rubles. As well as this, there were 80 scientific publications in central scientific journals and seven inventions for which royalties were paid.

6. I was awarded a Lenin Komsomol prize of Kyrgyzstan in 1977 for a series of research works on the development of mathematical theory for the thermal mode of ferrite recording systems for computers and their operational reliability.

7. My permanent residence is a four-room apartment of 70.8 square meters in the city of Bishkek. The apartment is on the books of the Geology housing administration, which I obtained in March 1986, when I was working as head of department at the Frunze Polytechnical Institute (at present Bishkek Technical University). At present I

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have the use of a state residence in the village of Chon-Aryk.

8. On a plot of land (0.15 hectare) belonging to my close relative Gulay Akayeva, I am finishing the construction of a two-story small house — which I started in 1986 — in the village of Tash-Moynok, in Alamedin district. From 1986 to 1992, 108,245 rubles and 20 kopeks have been spent for the construction of the cottage, including on building materials — 44,745 rubles; payment for construction and assembly works — 63,500 rubles.

9. In my private possession I have a GAZ-2410 car, which I acquired in Moscow for 9,300 rubles through a USSR Supreme Soviet purchase order. (The car has been gifted to the "Manas" fund).

10. Articles of value which are in safekeeping include an MKEK pistol, a sports gun, and two inscribed sabers presented to me by heads of state.

Antique and other articles presented to me as head of state have been handed over to the Kyrgyz History Museum.

11. The total amount of money I currently have in my bank accounts is 155 soms [as received] (following the conversion of 30,782 rubles into the national currency). I have no private bank accounts outside the republic.

12. In terms of securities, I have privatization coupons, which I obtained in accordance with the regulations, in exchange for vouchers.

13. I have never had bank credits or loans, or asked for credit for members of my family, relatives, or acquaintances.

[Signed] A.Akayev.

Note: Bermet Akayeva gets a very good salary in Geneva; she gets benefit/allowance for her sister Saadat, who is at school and is there at her sister's expense. Aydar Akayev gets a grant, and as well as this, financial aid from R. Sagdeyev, an old friend of the president and a professor at the university where Aydar studies.

Editorial note: We are ready next to publish the declaration of Prime Minister A.Dzhumagulov and then of all members of the government, and so on.

State Committee for Investments Approves Program

LD1105185095 Bishkek Kyrgyz Radio First Program Network in Russian 1300 GMT 11 May 95

[FBIS Translated Text] The discussion of the program of state investments to be made in the economy and the social sector over the next three years — 1996-1998 — at a session of the State Committee for Investments, was undoubtedly pivotal. Askar Sarygulov, the general director of the State Committee for Investments, presented the program.

For almost a year a group of members of the state commission, in conjunction with specialists from the State Committee for the Economy and the sectoral ministries and departments, have been drafting the program and a package of documents on the essence, strategy, and tactics of the government's three-year investment policy.

It is natural that it cannot manage without major foreign credits in the current difficult period for the Kyrgyz economy. The total credit assistance planned for the state investment program will thus account for over 70 percent of the total amount of funding.

As of today, annual injections of foreign currency by four international financial institutions amount to about $190 million. Domestic funding for investment programs will approximately double by 1998, and will be about $45 million 1998.

Sarygulov drew attention to a number of features of the program. First, it is aimed mainly at supporting the economic reforms and developing the infrastructure required to support a market economy. Also, some of the resources will go to develop the production sector, mainly privatized and small private enterprises, as well as to improve the protection of the environment.

A necessary precondition for the foreign investments to be offered is that the Kyrgyz Government will provide partial — 10-15 percent — funding of investment projects.

Following a thorough discussion of the document the program was approved as a whole, and adopted as a basis. After its has been discussed by the sectoral ministries and departments, as well as by the local state administrations, the program will be approved at a session of the republic's government and submitted as an official document to the forthcoming conference of donor countries rendering financial assistance to Kyrgyzstan, to be held in Paris at the end of May.

Organizational steps to attract foreign investments and the Japanese Government's program of special assistance for backing the export-oriented production were also considered. The latter provides for the allocation of over $24 million to reconstruct and develop the Kyrgyz textile mill, the Belovodsk milk plant, and the Osh silk factory.

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Tajikistan

Talks Between Rakhmanov, Opposition Leader Expected

LD1205105295 Moscow ITAR-TASS in English 1011 GMT 12 May 95

[By Galina Gridneva]

[FBIS Transcribed Text] DUSHANBE, May 12 (Itar-Tass) — Head of the U.N. permanent mission of observers in Tajikistan Darko Silovic told journalists today that the forthcoming meeting between the Tajik president Emomali Rakhmanov and leader of the Tajik opposition Said Abdullo Nuri would be a cornerstone in the entire negotiating process. The U.N. official said that according to a preliminary agreement the meeting was expected to be held in Kabul on May 15, although the Tajik authorities had not officially confirmed it yet.

Silovic stressed that it is very important that the meeting between the Tajik president and leader of the opposition be held prior to the fourth round of the Intertajik dialogue, due to take place in the Kazakh capital on May 22. Silovic said that the results of the fourth round of talks, during which important and complicated problems of the country's constitution will be discussed, to a great extent depend on the forthcoming meeting.

He expressed regret over the fact that the sides involved in the conflict had failed to come to terms at the recent consultations in Moscow, in particular, as to whether a contingent of government forces should be sent to the Gorno-Badakhshan autonomous region to guard the Pamir section of the Tajik-Afghan border jointly with Russian border guards. The U.N. representative pointed out that Dushanbe's political opponents believe that this will be a direct violation of the Tajik-Teheran ceasefire agreements. It is not ruled out that this problem might be raised during the talks between the Tajik president and the leader of the opposition, Silovic said. He noted that he would like both sides to show maximum political will and a desire to reach a compromise for the sake of the soonest civil peace in Tajikistan in the interests of its people, which also meets the interests of the United Nations and all sides concerned.

Karimov Airs Views on Economy, New Currency

LD1105185695 Moscow INTERFAX in English 1517 GMT 11 May 95

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Prime Minister Jamshed Karimov said that analysts expect a significant improvement of the country's living standards following the introduction of a national currency.

He went on the national television to say that the monetary reform has to boost the economy. On the other hand, if the economy does not take off, no monetary reform will prevent an economic collapse in Tajikistan, he said.

IF Note: A national currency, the Tajik rubl, will become the sole legal tender inside the country. One, three, five, 10, 200, 500 and 1,000 Tajik rubl notes have been issued. The use of the Russian ruble will be discontinued on May 15. From that day the National Bank will pay wages in the new currency. The Tajik rubl will initially be worth 100 Russian rubles and adjust to the value on the currency exchange. All assets and funds deposited in saving banks will be revalued.

Karimov said that the commission in charge of introduction of the national currency had worked out a technique to pay Tajik rubls to individuals during the transition period.

He said that everything has been done to increase all the wages 2.5 times on the average starting with May 1 and that steps have been taken leading to payment of back wages for about a year.

Karimov said that the cash frozen on saving bank accounts will be paid to pensioners, invalids and, in emergencies, all other kinds of depositors starting from May 10. From July 1 on any Tajik citizen will be able to withdraw 150 Tajik rubles from his/her deposit at a time. From September 1 all the deposits will be liberalized.

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Armenia

Japan To Offer Credit of $50 Million

NC1105194795 Yerevan NOYAN TAPAN in English 1320 GMT 11 May 95

[Spelling of all names as received]

[FBIS Transcribed Text] 11/05/95 NOYAN TAPAN — According to Deputy Minister of Armenia Armen Darbinyan, negotiations with Japan for allotment of a credit to Armenia will resume in July of 1995. This has become possible after signing a stand-by credit agreement with the IMF.

A credit worth 50 million U.S. dollars will be offered to Armenia by Japanese Fund for Overseas Economic Development. A special mission of the Fund has already collected necessary data on the state of the Republic's economy and made contacts with officials responsible for conduction of economic reforms. The main purpose of the visit is to cover the budget deficit. The credit is to be offered with term of repayment within 40 years with first installments starting in 10-15 years. The credit is granted without an interest rate (only 0.5% is charged for services).

The negotiations will be conducted by Minister of Economy of Armenia Armen Eghiazarian, his deputy Armen Darbinian as well as representatives of the Ministry of Finances and the Central Bank of the Republic.

Besides the above-stated credit, this year Japan has also granted Armenia humanitarian aid for total amount of 2 million. Japan is also going to fund implementation of a number of programs of the World Bank aiming to help Armenia, such as establishment of Headquarters of the earthquake zone, assistance to the Armenian Ministry of Agriculture valued at half million U.S. dollars, as well as a program for re-qualification of Armenian specialists.

Germany To Offer Credit for Business Development

NC1105194695 Yerevan NOYAN TAPAN in English 1320 GMT 11 May 95

[FBIS Transcribed Text] 11/05/95 NOYAN TAPAN — The German Government is expected to allot a credit for total sum of 10 million Deutsch Marks to Armenia in the near months. According to the Armenian Deputy Minister of Economy Armen Darbinian, the main objective of the credit is to promote the medium-sized and the small business in Armenia, as well as to carry out some restoration works in the social infrastructure. The condition of the credit is: the term for repayment - 35-40 years, repayments are to start in 10-15 years with annual interest rate of 0.5 percent.

However, the allocation of the credit is still in the stage of negotiations.

The Minister of Economic Cooperation and Development of Germany is supposed to arrive in Yerevan on May 24-25. He arrives in order to run talks on allocation of the credit.

Authorities Will Not Prevent Opposition in Election

NC1105202095 Yerevan SNARK in English 1216 GMT 11 May 95

[FBIS Transcribed Text] Yerevan, May 11 (SNARK) — "Armenian authorities will not impede the popular opposition candidates participation in the upcoming Parliament elections", a leader of National Democratic Union (NDU) and Parliament Commissioner on Foreign Affairs David Vardanyan told SNARK.

According to Mr. Vardanyan, the presence of outstanding opposition leaders in the future National Assembly will allow the authorities to avoid being criticised for holding elections by the initially planned scenarium. Actually the ruling block candidates will form the majority in the next Parliament, and will be supported by mafia structures, he said. Thus the opposition will again stay as the minority and hardly affect the Parliament activity, concluded David Vardanyan.

Opposition Paper GOLOS ARMENII Closed

NC1105190495 Yerevan NOYAN TAPAN in English 1536 GMT 11 May 95

[Spelling of all names as received]

[FBIS Transcribed Text] 11/05/95 NOYAN TAPAN — The regular issue of independent opposition daily "Golos Armenii" was not published on May 11, 1995. A press-conference held in the Editorial Office of the paper discussed this event. Besides journalists, the press-conference was also attended by Advisor of Russian Embassy in Armenia Vitaliy Boyko, Advisor of US Embassy Bob Patterson, First Secretary of the Central Committee of the Communist Party of Armenia Sergey Badalyan, Chairman of the Democratic Party Aram Sargisyan, Chairman of the Scientific-Industrial and Civil Union of Armenia Aghasi Arshakyan, Chairman of National-Democratic Union Vazgen Manukyan, members of the Armenian Parliament, representatives of the Union of Journalists and other invited guests.

Opening the press-conference, Editor in Chief of "Golos Armenii" daily Flora Nakhshkaryan reported that on May 10, at 5:00 pm Director of state publishing house "Periodika" Vrezh Markosyan stated that the regular issue of the paper would not be published in the publishing house until the Editorial Office liberates

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the occupied area. Madam Nakhshkaryan said that the paper was not in debt, fulfilled all the contractual liabilities and this decision, obviously passed by the governing structures, is a violation of the contract between the Editorial Office and the publishing house "Periodika". Wishing to solve the disputable issues in a lawful manner, the Editorial Office sued to the State Arbitration Court in early May, however executives of the Department of governmental matters did not make a secret of their intention to close the paper. Thus, the officials instructed by the above-standing agencies or persons had to close the paper before a relevant court verdict is issued. According to the Editor, closing an opposition paper on the eve of elections they pursue a goal of weakening the positions of opposition in the election campaign. At the same time she underlined that the paper was not going to support any party in particular saying that 4 of the paper's employees are going to be nominated for participation in the elections by 4 different political parties.

Replying to questions of journalists, Nakhshkaryan said that the paper was not closed because of its Russian language publication, but because of its political position. She expressed a hope that international civil defense organizations would take measures for protection of freedom of speech and press in Armenia. At the same time, the Editorial Office would rather not appeal to foreign diplomats for protection of its interests, although it could apply to the Russian Embassy because of the language or to the US Embassy which has always expressed willingness to defend the interests of democracy. Despite what has happened, the Editorial Office hopes that the Armenian Government will pass a new resolution protecting the newspaper.

Assistant of the Editor in Chief Narek Mesropyan said that he was convinced in the fact that the Director of "Periodika" publishing house, the head of the Department of governmental matters Manasaryan and State Minister Ghazaryan are executing of orders by the top official of the executive branch of the Government - President Levon Ter-Petrosyan.

Chief Editor Nakhshkaryan asked her colleagues in other papers to offer space in their papers for materials prepared by journalists of "Golos Armenii". As it became known three weeklies — the "Urartu" (independent, Russian-language), "Shrdjan" (the Armenian-language paper of public political organization "Nation-State") and "Iravunk" (the Armenian-language weekly of public political organization "Union of Constitutional Right") expressed willingness to publish articles by journalists from "Golos Armenii".

A representative of the Union of Journalists of Armenia reported that the Union is preparing a statement of protest.

In conclusion of the press-conference, Nakhshkaryan appealed to her colleagues for help saying, "tomorrow you are going to experience what is happening with us today."

Azerbaijan

Interior Minister Surprised at Mutalibov Release

LD1105174195 Moscow INTERFAX in English 1319 GMT 11 May 95

[FBIS Transcribed Text] BAKU, May 11 (Interfax) — Azerbaijan Interior Minister Ramil Usubov has expressed surprise at the decision of the Russian prosecutor general's office (GPO) to release the former President of Azerbaijan Ayaz Mutalibov who was detained by Moscow police last Sunday [7 May].

Moscow's action is "in breach of a bilateral agreement on mutual legal assistance," Usubov told Interfax Thursday.

In the meantime, ministry officials "are in contact with Moscow" to try to establish the reasons lying behind Mutalibov's release, one ministry source told Interfax on condition of anonymity.

He said Deputy Interior Minister Magerram Aliyev was in charge of a team of ministry representatives which was urgently sent to Moscow to take Mutalibov back to Azerbaijan as the Russian interior ministry sent a cable about his arrest on May 8.

According to Russia's GPO, Mutalibov was detained by police patrol during a routine check of identification papers. After failing to produce a certificate of registration in Moscow, he was taken to a police station but was set free on GPO instructions early Monday.

GPO Department Chief Vladimir Kirakozov told Interfax Wednesday that discussion was under way of Mutalibov's possible deportation but a decision was delayed because of the lack of clarity as regards his citizenship and a lack of sufficient evidence to bring him to book.

Mutalibov who won the Azeri presidency in May 1990 has lived in Moscow since he was forced into resignation by members of the opposition People's Front two years later.

The former president faces charges of being behind massive rioting and a failed coup and inaction during the 1990 Soviet intervention in Baku. He is also blamed for being largely behind the downfall of several Azeri areas in Nagorno-Karabakh to Armenian forces.

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Mutalibov Vows Return to Azerbaijan

NC1105204195 Baku TURAN in English 1306 GMT 11 May 95

[FBIS Transcribed Text] Baku (May 11) TURAN — On May 7 at 21.30 ex-President of Azerbaijan, Ayaz Mutalibov, was detained in Moscow, the press-centre of the Ministry of Interior told. The same source reports that he was detained on the basis of the bilateral agreement on legislative cooperation between Russia and Azerbaijan. Earlier official Baku applied to Russia with the request to extradite Ayaz Mutalibov accusing him of involvement in coup attempts.

On May 8 the Chief of Baku's Management for Internal Affaires, Magerram Aliyev [spelling of name as received], with the group of employees left for Moscow to deliver Mutalibov in Azerbaijan.

However, on May 9 Azerbaijan's Ministry of Interior received the cipher telegram signed by Deputy Chief of Moscow's Management for Interior Affaires Gorbachev, which read that ex-President of the republic, Ayaz Mutalibov, was released by the decree of Russia's Prosecutor's Office.

On the same day in his interview to "BBC" and radio "Liberty" stations Ayaz Mutalibov said that he was detained by the police. "I was released when I said that I am the first President of Azerbaijan and now I am under protection of the Russian authorities". Asked about his further fate, Mutalibov said: "I will return to Azerbaijan, since I am legal President of the country".

Moscow played one more wicked trick with official Baku. There are several versions for playing out of this performance. We think that the most obvious version is that late April the special group of Russia's Ministry of Interior "Kobra" was detained in Azerbaijan. Four Russian officers arrived in Azerbaijan to detain some Mahmudov and take him away to Russia. The Russian commandos were detained. However, despite brutal violation of the sovereignty of the republic, Baku did not speculate on the activities of the Russian special services.

As the military source told Turan, several days ago members of "Kobra" were returned back to Moscow. One can suppose that Baku offered to exchange Russian officers for Ayaz Mutalibov. On the next day Ayaz Mutalibov was detained in Moscow and in several hours he was released. But there was no more "Kobra" in Azerbaijan.

Nagorno-Karabakh Army Headquarters Chief on Truce

LD1105193895 Moscow INTERFAX in English 1754 GMT 11 May 95

[FBIS Transcribed Text] Stepanakert, May 11 (INTERFAX) — Chief of the Nagorno-Karabakh Army Headquarters, Major General Anatoly Zinovich said he believed that "the main reason for the truce in the zone of the Karabakh conflict is Azerbaijan's exhaustion because of the war and the pressure exercised by the world community on Baku."

He told Interfax that Nagorno-Karabakh had essentially resolved all the planned tasks and would not renew military actions.

The ceasefire's first anniversary will be marked on May 12.

Zinevich said that "the defeat of the Azerbaijani army convinced the Azerbaijani authorities that it is impossible to achieve the goals, which they have been cherishing for a long time, by military way."

He said that, nevertheless, according to the latest reports, Azerbaijan "is intensively strengthening the positions in all regions on the border with Nagorno-Karabakh." Zinevich said Azerbaijani troops were being gathered and moved on the northeastern and southeastern directions.

Zinevich said that the strengthening of facilities, frequent appearance of the Azerbaijani command on the front, the continuing exercises and the collection of troops and military equipment proved that military actions might be renewed any moment "if the conflicting parties do not sign a comprehensive political agreement."

Prisoners, Hostages, Freed by Armenia, Arrive

LD1205110195 Moscow INTERFAX in English 0950 GMT 12 May 95

[FBIS Transcribed Text] BAKU, May 12 (Interfax) — A plane with Azeri prisoners and hostages, released by Armenia, landed at the airport of Azerbaijan's capital Baku on Friday morning [12 May].

As Azerbaijan's Security Minister Namik Abbasov, chairman of the State Commission for Prisoners and Hostages, has told Interfax, the plane brought all 27 persons, scheduled for arrival in Baku.

Yet another two released men - Russia's citizens, Marat Ishkneyev, a pilot, and Babayev, a Dagestan national - are to due to fly back to Russia shortly to return to their homes in Altay and Dagestan.

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According to the International Red Cross, there are no more hostages and prisoners in Armenia.

Abbasov reported that the 35 Armenians whom Azerbaijan had set free on May 11 "are under the International Red Cross [IRC] protection." As he explained, IRC representatives had been finding out where the captives would like to go. Abbasov suggested that not all of them felt like returning to Armenia or Karabakh. He recalled that it had been common for some of the earlier released Armenians to prefer to go to Moscow or Kiev rather than to Yerevan.

Once the intentions of all prisoners are clear, their dispatch from Azerbaijan will begin, Abbasov said.

SOCAR, Dutch Company Create Joint Venture

NC1105200195 Baku TURAN in English 1454 GMT 11 May 95

[FBIS Transcribed Text] Baku (May 11) TURAN — SOCAR [State Oil Company of Azerbaijan] adopted the resolution concerning creation of the joint venture with the Dutch company "Fugro". The Complex Marine Geological-research Management of SOCAR will be the partner of the company in the joint venture, SOCAR reports.

"Fugro" company is the winner of the tender for the right to conduct engineering, geological and research works on the "Chirag" oil-field in Azeri section of the Caspian sea. Presently the company completed the scheduled amount of work, SOCAR says.

Georgia

Shevardnadze on Moscow Ceremonies, Chechnya

BR1105134695 Paris LE MONDE in French 11 May 95 p 2

[Interview with President Eduard Shevardnadze by Roger Cans; place, date not given: "Chechnya Is a Russian Internal Affair"]

[FBIS Translated Text] [Cans] How do you feel about the ceremonies on 9 May in Moscow?

[Shevardnadze] The victory over fascism by allied forces is to be celebrated on a worldwide scale. The Republic of Georgia paid a heavy price for this victory, since it lost 300,000 out of the 700,000 men who took part in the fight. Only Belarus had proportionally greater losses. As to Stalin, the greatest dictator in history, he had the means to mobilize all of Soviet Union. He therefore played an important role in the coalition against Hitler, the other dictator.

[Cans] And yet Russia is crushing the Chechens ...

[Shevardnadze] Not to celebrate the victory in Moscow would have been an insult to the dead of World War II. As far as Chechnya is concerned, this is a Russian internal affair. But it is spilling over into our country: 3,000 Chechens have come to lend a hand to our Abkhazian separatists, who have begun a civil war, leading to boundless destruction and throwing 300,000 Georgian refugees onto the roads. People are always critical when it comes to internal affairs of others, but it is a different story when it is happening in your country.

[Cans] You support the Russians against the Chechens and you condemn the Abkhazians, who have separated from Georgia. Have you changed?

[Shevardnadze] No. I am still a democrat, but also a realist. One cannot accept the dismembering of Russia. This would be opening the door to all sorts of adventurism. I, too, have known separatism. Of course, defending the Chechen cause strengthens one's popularity. But one must keep a cool head. In their constitutions the most democratic countries rule out any possibility of secession.

[Cans] After having proclaimed your independence, you joined the CIS. What did you gain?

[Shevardnadze] We are not the only ones to have done that. Ukraine, Belarus, Kazakhstan, and even Moldova also joined. We were the last to do so. It was a mistake to cut off all relations. That plunged us into an economic isolation which cost us a lot. We are forced to buy from our former partners because things are too expensive in the West. If the West were to give us billions of dollars, it could be different, but this is most unlikely. We will need at least 10 years to get out of this situation. The CIS must follow the same path as the EU.

[Cans] Are you in favor of expanding NATO up to the borders of Russia?

[Shevardnadze] If the expansion of NATO means confrontation with Russia, it is unacceptable. On the other hand, civilized cooperation with Russia must be promoted in order to push it toward democracy.

[Cans] Are we not witnessing a resurgence of the Cold War?

[Shevardnadze] Happily, we have been able to rid ourselves of that sterile ideological confrontation. But it is true that we are today heading toward a new kind of confrontation.

[Cans] How do you foresee the evolution of Russia?

[Shevardnadze] Russia will move toward democracy if its neighbors help it to. It must be helped. If Russia remains isolated, she could close in on herself in a

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situation that would be dangerous for everyone. It must be kept open to the outside world no matter what the cost.

Russian Peacekeepers Disarm Abkhaz 'Militia'

LD1205081295 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 12 May 95

[FBIS Translated Text] Major General Vasiliy Yakushev, commander of the Russian peacekeeping troops, has said that the Russian peacekeeping forces have started to disarm the illegal Abkhaz armed formations which were acting in Gali District under the guise of militia.

Abkhazian Parliamentarian Continues U.S. Visit

LD1205110395 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 12 May 95

[FBIS Translated Excerpt] The KONTAKT news agency reports that Americans have shown keen interest in the visit to the United States by Tamaz Nadareishvili, chairman of the Supreme Council of the Autonomous Republic of Abkhazia. [passage omitted]

This visit is further proof that the world public acknowledges the Supreme Council of the Autonomous Republic of Abkhazia. The Georgian representatives held a working meeting with the UN Security Council. The guests were received by Mr. (Butbi), director of the European Department. It was mentioned at the meeting, which was held in a warm and friendly atmosphere, that the Abkhaz separatists committed inhuman bloody crimes and carried out genocide of the Georgian population in the occupied territory of Abkhazia. In the resolution submitted to the United Nations, the Georgian delegation demanded the unconditional and speedy return of refugees to Gali district.

The agenda of Tamaz Nadareishvili's visit included giving a speech at Columbia University and interviews with the leading U.S. television companies.

The visit continues.

Ajaran Leader Receives Caucasian Border Commanders

LD1205100595 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 12 May 95

[FBIS Translated Text] The Ajara news agency reports that Aslan Abashidze, chairman of the Supreme Council of the Autonomous Republic of Ajara, yesterday received Major-General (Vladimir Bozzhayev), commander in chief of the Georgian army's special Caucasian border district, and Rear-Admiral Eduard Tkachenko, commander in chief of the naval forces of the special Caucasian border district.

It was mentioned at the meeting that certain forces are trying to create confrontation between the military and the people of Ajara. Aslan Abashidze noted that it will not work. Maj-Gen (Vladimir Bozzhayev) noted that relations between the military and the people in Ajara are exemplary in the territory of the former Soviet Union and that he welcomes it. He presented to those present at the meeting the new heads of the Khichauri and Batumi border units. THIS

Rescuer Corps Implicated in Crime, Disarmed

LD1205102295 Moscow ITAR-TASS in English 1003 GMT 12 May 95

[By Albert Kochetkov]

[FBIS Transcribed Text] TBILISI, May 12 (Itar-Tass) — Georgia's governmental corps of rescuers began surrendering its arms to the defence ministry on the order of head of state Eduard Shevardnadze.

The corps is disarmed after evidence of its involvement in organised crime has surfaced.

A Tbilisi-based branch of the corps laid down its arms first.

Deputy Defence Minister Vano Gurgenidze told Itar-Tass that the branch's stock of assault rifles, ammunition, grenade launchers and mines was enough to equip at least a motorised infantry company.

The disarmament operation is supervised by Omar Eloshvili, chairman of a special parliamentary commission.

Eloshvili told Itar-Tass that the operation has a schedule, under which arms are to be laid down on Saturday by the corps' branch in the Kvemo-Kartli region and on Monday by a western Georgian arm of it.

The disarmament is to be finished by May 17, Eloshvili said.

Rescue Corps Members Release Demanded

LD1105161995 Tbilisi CONTACT INFORMATION AGENCY in Russian 1350 GMT 11 May 95

[FBIS Translated Text] Tbilisi — Yesterday, 10 May, the inhabitants of eastern Georgia's Telavi District held a protest rally in front of the building of the Georgian parliament. As earlier reported, the law enforcement bodies carried out an operation in east Georgia and detained the Rescue Corps members suspected for a whole string of crimes.

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The rally participants said some of the rescue Corps members had been arrested without any grounds and appealed for their release.

Member of parliament Jaba Ioseliani met the rally participants and promised to clarify the situation.

Background of Trial of 'Coup' Organizers Detailed

AU1105155095 Tbilisi NOVAYA GAZETA in Russian No. 2, May 95 p 3

[Report by Irina Baramidze: "The Trial of Shurgaya and Otkhozoriya Has Begun"]

[FBIS Translated Text] The case against Valter Shurgaya and Gocha Otkhozoriya, who have been accused of betraying their motherland (Article 65 of the Criminal Code) and banditism (Article 78 of the Criminal Code), has started to be heard in the Georgian Supreme Court. In addition, they have been charged under articles that stipulate punishment for the forgery of documents and their use and for the illegal acquisition, carrying, and transportation of firearms.

The punishment stipulated in Article 65 is a prison term ranging from 10 to 15 years with confiscation of property or the death penalty and, in Article 78, three to 15 years in prison with confiscation of property or the death penalty. The degree of guilt is to be determined by the court.

The first session, which had been set for 12 April, was postponed at the request of the attorneys Temuri Goksadze and Merab Navrozashvili; the defense attorneys required more time to familiarize themselves with case materials and to meet with the accused. On 25 April, members of the judicial board (whose chairman is Yuriy Tkeshelashvili) began to examine the case.

The investigation into the case against Shurgaya and Otkhozoriya was conducted by Otar Dzhaparidze, Prosecutor's Office investigator into particularly important cases.

In short, the background to the indictment is as follows: Shurgaya and Otkhozoriya and also Kobaliya and Zhgenti (the investigation into their case has not ended yet and they appear as witnesses in this case), under the leadership of ex-President Gamsakhurdia, having formed armed detachments, organized a conspiracy aimed at overthrowing state power. On 17 June 1992, on an order of the ex-president signed in Groznyy, Shurgaya was appointed his extraordinary and plenipotentiary representative in Georgia. On 24 June 1992, Shurgaya and Otkhozoriya, along with their people, seized the Georgian television building. The damage amounted to 868,426 rubles, more than 10,000 German marks or $300 [figure as published] according to the rate of exchange at that time. This incident is qualified by the investigation as an attempted coup d'etat. Neither Shurgaya nor Otkhozoriya were sentenced for committing this act; on the basis of the State Council Manifesto of 3 August 1992, they were released from custody. Later, already after the elections of 11 October 1992, Kobaliya, Shurgaya, and Otkhozoriya formed armed detachments that, as established by the investigation, launched attacks on railway lines and highways and enterprises, stole expensive cargoes and strategic raw materials and weapons and ammunition, put out of operation high-voltage lines, blew up bridges, and so forth. On 2 October 1993, the rights of a number of deputies who were supporters of the ex-president, including Valter Shurgaya, chairman of the Committee for Disobedience, were restored at a session of the former Supreme Council. A decision was adopted on the return of Gamsakhurdia and the restoration of the rights of the former Cabinet of Ministers. This episode also was assessed by the investigation as a conspiracy aimed at encroaching upon Georgia's sovereignty, territorial integrity, security, and defense capability. Between 28 August and 7 November 1993, the armed detachments under Kobaliya, Shurgaya, Otkhozoriya, and others, along with mercenaries, temporarily occupied Zugdidi, Poti, Tsalendzhikha, Chkorotsku, Khobi, Senaki, Martvili, Abasha, Samtredia, Khoni, Ozurgeti, and Lanchkhuti. The investigation charges them with destroying buildings and railway lines, arson, theft on a particularly large scale (for example, in the port of Poti), killing civilians, executions by firing squad.... On 16 September 1993, following the violation by the Abkhazian side of the peace treaty and the renewal of hostilities, the detachments under Shurgaya, Otkhozoriya, Kobaliya, and others, armed with heavy equipment and rocket launchers, closed the road between Samtredia and Zugdidi and prevented government troops from using this stretch of the road. The investigation qualifies these actions as one of the main reasons for the fall of Sukhumi and the defeat in Abkhazia. Having closed the road to Zugdidi, the detachments under Kobaliya, Otkhozoriya, and Shurgaya prevented troops and refugees from retreating via the shortest route. They robbed refugees, captured officers and soldiers and disarmed them, and appropriated heavy equipment. Refugees were forced to be evacuated through the mountain passes in Svaneti. According to the investigation, a great number of those who perished in the passes are also on the consciences of the members of these armed detachments....

Following the liberation by government troops of the temporarily occupied territory in western Georgian and the ex-president's flight from Zugdidi, Shurgaya went into hiding. He was arrested on 26 January 1994 in possession of a false passport bearing the name

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of Vladimir Grigoliya. Otkhozoriya had already been arrested on 23 December 1993.

This is the essence of the indictment brought by the investigation.

Shurgaya and Otkhozoriya do not consider themselves to be guilty and state that they had used all means available in the struggle to restore the legal power of the ex-president. The lawyers adhere to the view that their clients are political prisoners.

The process does indeed have a strong political "smell." However, there are no articles in current legislation according to which people are prosecuted for dissidence (for example, in Soviet legislation, there was an article on anti-Soviet propaganda). The present Criminal Code stipulates punishment for specific actions and not for the ideas that gave rise to them....

However, to all appearances, this issue, which affords many opportunities for argument, will become a bone of contention during the course of the trial that promises to be as sensational as the previous ones — the "Kvareli" case, the trial of Dokvadze, Gelbakhiani, and others....

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Estonia

Foreign Minister's Address to Council of Europe

WS1205101695 Tallinn Ministry of Foreign Affairs Press Release in English 1916 GMT 11 May 95

[Speech by Foreign Affairs Minister Riivo Sinijarv at the Council of Europe's ministerial meeting in Strasbourg, France on 11 May]

[FBIS Transcribed Text] Mr. Secretary-General, Mr. Chairman, Dear Colleagues, Ladies and Gentlemen,

I am happy to be here in my new capacity as Foreign Minister of Estonia. Although this may be my first time personally to participate in this most vital forum, I can assure you that Estonia's new Government, in place after we held our second post-Communist parliamentary elections last March, foresees no changes in our fundamental foreign policy directions.

This includes our stance toward enlargement of the Council of Europe. As you are aware, Estonia values highly the Council of Europe as the continent's oldest and most respected guarantor of our common and shared values. We regard our relations with this body to have begun in 1960, when the predecessor of the Parliamentary Assembly approved its first resolution condemning the forcible occupation and annexation of the Baltic States by the Soviet Union. That resolution was followed by several others over the course of the intervening decades before our acceptance as a full member of the Council of Europe in May 1993.

Since that time, the Council of Europe has been helpful in assisting our further integration into Europe by providing legal expertise on a number of key laws related to nationality policy. The most recent example of Estonia's active participation in this body is the imminent opening of a Council of Europe Information Centre, which is set to transpire at the end of this month. In addition, I am hopeful that our new parliament will ratify the European Convention of Human Rights by this Autumn, and that the ratification process for the Convention on Minorities signed by my predecessor last February will begin in the nearest future.

We very much welcome the fact that Latvia is now in our midst, and are gratified that our southern neighbour has so rapidly and competently adapted its basic legislation to the values and standards of our organisation. Moreover, we can regard the Council of Europe's principled stance on the so-called Baltic Question, a stance which this body assumed, as I noted earlier, thirty-five years ago, as having reached its logical culmination with the full membership of all three Baltic states in the Council of Europe.

Estonia continues to have a special interest in the accession of Ukraine and Moldova to this body, and calls on the Russian Federation to honour its commitment to withdraw all foreign troops from Moldova, in accordance with the conditions of the agreement signed between Moldova and Russia.

In the general context of enlargement, I would reiterate our position on the need to maintain the strict standards of membership to which the Council of Europe has always adhered. If the Council is to be effective and credible in helping to extend the rule of law eastward, it cannot alter its standards for political, geographic or other reasons. Double standards are inadmissible here — what applies to one must apply to all potential members.

Estonia is gratified to note, as did Estonia's President Lennart Meri last month before the Parliamentary Assembly, that the Assembly last February recognised the necessity to maintain standards when it suspended action on Russia's application for membership. I would note here that Estonia was somewhat surprised by reactions from the Russian Foreign Ministry and guest delegates at the Parliamentary Assembly to President Meri's remarks, which were characterised as being at odds with the Estonia's official position.

I would take this opportunity to state once again that Estonia's position, whether it is voiced by the President or by the Estonian Foreign Ministry, remains unchanged: We welcome Russia's participation in the Council of Europe at which time that state meets the standards required of others. From historical experience, Estonia understands better than most around this table that a democratic and stable Russia, fully integrated into Europe, including into this esteemed organisation, is in everyone's interest. For this reason, we look forward to Russia's participation in the Council of Europe as soon as the existing conditions are met.

Mr. Chairman, I would turn briefly to the system of monitoring compliance with commitments undertaken by candidate states to this body. Estonia fully supports the mechanisms established and articulated in the Declaration we are approving today. We welcome the fact that monitoring will be automatic and regular, and are convinced that this system must be accorded all the means necessary to fulfill expectations. We are also hopeful that this system of monitoring will become a real instrument of measuring compliance rather than being relegated to file cabinets and bookshelves. We can assure the protection of our common values only if the monitoring mechanisms come to be regarded with the seriousness they warrant.

Finally, I would note that as of today, Estonia has become a member of the Bureau of the Committee of

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Ministers. We are quite aware of the responsibilities which accompany our participation in the Bureau and later, as Chairman of the Committee, and we look forward to meeting this challenge.

Thank you, Mr. Chairman.

Dismantling of Paldiski Nuclear Plant Nears Completion

WS1105124795 Tallinn BNS in English 1630 GMT 10 May 95

[FBIS Transcribed Text] Tallinn, May 10, BNS — One of the two nuclear reactors in Paldiski has been completely dismantled and about one fifth of the work remains to be done on the other, a Russian delegate to an International Atomic Energy Agency expert group meeting in Vienna announced.

Paldiski on the northwest coast of Estonia is the site of a former Soviet nuclear submarine training base.

The meeting last week of the IAEA Paldiski international expert group was attended by specialists from Estonia, Russia, the United States, Sweden, and other countries.

The Foreign Ministry press service informs the IAEA approved the plans for decommissioning the Paldiski nuclear facility drawn up under the direction of the Swedish company SKB.

Philip Thullen, a U.S. specialist from the National Laboratory in Los Alamos, drew attention to measures Estonia will have to take prior to taking over the facility. He laid emphasis on the need to set up a receiving organization. The government last week established a state company for this under the Economics Ministry.

Latvia

Ulmanis Reacts to Moscow Celebrations, Allegations

MK1105150395 Moscow NEZAVISIMAYA GAZETA in Russian 11 May 95 p 2

[Interview with President Guntis Ulmanis by Aleksandr Bangerovskiy under the "Viewpoint" rubric: "Guntis Ulmanis: 'This Day Did Not Give Us Freedom.' The Latvian President on 9 May and Relations Between Riga, Moscow"]

[FBIS Translated Excerpt] [passage omitted]

[Bangerovskiy] Many heads of state arrived in Moscow to mark this day. Leaders of the Baltic states decided to refrain from doing so. How should this decision be understood?

[Ulmanis] The three Baltic states are the sole countries that lost their independence as a result of World War II. Given that, our arrival in Moscow would be not only incomprehensible to our peoples, but also unjustified historically. I have had talks with leaders of many countries of Europe and America — they fully understand us. But I would like to emphasize that this is not a demonstration with regard to the contemporary Russian state, its government, or a show of disrespect for the Russian people, which suffered immense human losses during World War II.

But, unfortunately, for us the anniversary of the end of the war is just a day of memory and grief. This day did not give us freedom, but it brought us a new occupation. Recently we marked only the fifth anniversary of restoring our country's statehood. I have to say this and I do not think that my words will harm relations between our two countries because this should be understandable to the people of Russia and the people of Latvia.

I hope that in the very near future we will hold meetings with Russia at the intergovernment level so as to resolve all our economic problems, border problems, and relationship problems. [passage omitted]

[Bangerovskiy] You personally and your family have suffered as a result of actions by the Soviet authorities. There are lots of such people in Latvia, and not only in Latvia, but throughout the former Soviet Union. Latvia was not only occupied by the USSR, but a major portion of its people was subjected to deportation. What views on this problem are currently held in your country?

[Ulmanis] You have touched on a matter that is very important for me. In early May Russian television based an entire telecast on accusing my father of collaborating with the Hitler regime. My father was captured by the NKVD [People's Commissariat of Internal Affairs]. According to Russian data he was killed in 1943, but I have information that he was killed even earlier, in 1942, in a Vyatlag camp. And this is just one example. All the Latvians who were sent to camps of the former USSR were sentenced on similar charges: of being fascists.

I would like to hope that the accusations made from the screen of Russian television do not reflect the Russian state's policy, because this would have been too cynical and offensive for the memory of people who were killed without trial, without an opportunity to defend themselves. [passage omitted]

I would like to wish Russia not to assimilate the communist traditions of provocation that are so plentiful in the history of the Soviet Union.

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Clinton-Yeltsin Talks Do Not Affect NATO Hopes

WS1205090895 Tallinn BNS in English 1946 GMT 11 May 95

[FBIS Transcribed Text] Riga, May 11, BNS — Talks between U.S. President Bill Clinton and Russian President Boris Yeltsin on NATO expansion eastwards are only a part of the discussion on the issue and they do not directly influence Baltic, central and eastern European countries' joining to the North Atlantic alliance, Latvian Foreign Ministry's Press Secretary Rihards Mucins told BNS.

As reported, U.S. and Russian presidents agreed May 10 in Moscow that Russia will not supply a centrifuge to an Iranian nuclear plant, but the United States will yield to Russia in issues related to Chechnya and NATO expansion. Thus both the super powers have reached a compromise in the most important bilateral relations' issues by strengthening their security on the account of security of the eastern European and Baltic states.

The Foreign Ministry is convinced that the discussions on NATO expansion and "the forming of European security architecture" will be continued and the potential member states and other interested sides will express their viewpoint.

Mucins noted that, up to now, NATO has not expressed its principal stance as to the expansion of the organization, but no concrete decision has been taken as to when and how it could happen.

Taking into account the documents, passed during the summit meeting of NATO member states at the end of last year, the decisive decision on NATO expansion could be taken until the beginning of 1996.

As reported, the Latvian Foreign Ministry has determined participation in NATO as one of the Baltic state's foreign policy priorities and thinks that the expansion cannot create "new lines of security division" in Europe.

Foreign Ministry, Parties Comments on Summit

LD1105180795 Riga Radio Riga Network in Latvian 1700 GMT 11 May 95

[FBIS Translated Text] As we have reported, yesterday in Moscow the Presidents of the United States and Russia agreed on a compromise: Russia will not supply a centrifuge for the Iranian atomic power station at Bushehr, while the United States is yielding to Russia on the issues of Chechnya and NATO expansion. The Latvian Foreign Ministry believes that these talks on NATO expansion in an easterly direction are only a part of the whole discussion on this issue, and they will not directly affect the admission of the Baltic, Central, and Eastern European countries to the North Atlantic alliance. Membership of NATO is one of the foreign policy priorities determined by the Latvian Foreign Ministry.

The talks by Russia and the United States, and the presidents' meeting are possibly nothing more than a Russian blackmail to avoid NATO expansion to judge from these events, the BNS [Baltic News Service] was told by Aleksandrs Kirsteins, the leader of the Saeima Commission on Foreign Affairs and the Latvian National Independence Movement faction. The main idea of the talks, he believes, was the possibility of gradually lessening the anxieties of Russian politicians about NATO expanding. Indulis Berzins, a representative of the Latvian Way party, assessed the talks in Moscow by Russia and the United States as positive, expressing the hope that they are not taking place at our expense. For his part, Janis Jurkans, the chairman of the board of the People's Harmony Party, expressed the conviction that the Baltic countries took their place as part of the Western community in the U.S.-Russian talks.

Foreign Minister Signs European Convention on Minorities

LD1105103995 Riga Radio Riga Network in Latvian 0900 GMT 11 May 95

[FBIS Translated Text] Today in Strasbourg, Latvian Foreign Minister Valdis Birkavs is signing the General Convention of the Council of Europe for the Protection of National Minorities [name of convention as heard]. A Foreign Ministry statement says that by signing the convention, Latvia once again indicates its desire to undertake at the international level an obligation to protect national minorities and its compliance with the norms on this issue laid down in Latvian legislation.

This convention of the Council of Europe is also open for signing to countries that are not members of the Council of Europe. It has been signed by 22 states.

The Latvian minister of foreign affairs is also taking part in a session of the Committee of Ministers of the Council of Europe. This is the first time that Latvia is represented on this committee as a fully-fledged member of this organization. Foreign ministers of the member states of the Council of Europe take part in the work of the Committee of Ministers. Bilateral meetings with the foreign ministers of the Swiss Confederation and the Kingdom of Denmark are also scheduled for Foreign Minister Valdis Birkavs.

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Lithuania

Defense Minister Urges Russian Participation in PFP

LD1105191295

[FBIS Editorial Report] Vilnius Radio Vilnius Network in Lithuanian at 1300 GMT on 11 May broadcasts a three and a half minute report on Lithuanian Defense Minister Linas Linkevicius welcoming Russia's participation in the Partnership for Peace [PFP] program. Linkevicius spoke to a Lithuanian radio Warsaw correspondent on 11 May, during his official visit to Poland.

Asked how he viewed what the correspondent described as "categorical protests" by Russian President Boris Yeltsin against NATO expansion — voiced after Yeltsin's meeting will Bill Clinton in Moscow — Linkevicius said: "I think that with the number of contacts between the Russian and American leaders growing, such protests should...[pauses] The position of Russia should change.

"Russia can have tremendous influence on strengthening mutual confidence in Europe. If a country really wishes confrontation to decrease, there is no other way but integration into joint (?security) processes."

"Russia's participation in the Partnership for Peace program would bring about more mutual confidence," Linkevicius added.

Speaking about the prospective for Lithuania joining NATO, Linkevicius said: "There is no place for any kind of race here as to who joins NATO first. No country can hope to get private security just for itself: There should be a consistent process of creating the atmosphere of security in the whole of Europe."

Refugees From Illegal Flight Detained in Poland

WS1105125695 Tallinn BNS in English
1900 GMT 11 May 95

[FBIS Transcribed Text] Vilnius, May 10, BNS — Polish police on Tuesday detained 26 Asian refugees and their Lithuanian guide who allegedly arrived on a plane from the Kaliningrad region via Lithuania.

On Wednesday, Polish authorities informed Lithuania's Border Police Department that 16 Afghans, 11 Indians and one Lithuanian citizen were detained near the town of Elko, not far from the Lithuanian border. Polish officials claim the group was brought to Poland on a plane that had no identifying signs.

It is believed that the same plane unlawfully passed through Lithuanian airspace before entering Polish territory on Sunday.

The detainees are presently held in Poland for questioning. Police officials in Vilnius expect that the Lithuanian guide will soon be turned over to Lithuanian authorities.

Premier Downplays Energy Minister's Resignation

WS1205093095 Tallinn BNS in English
1946 GMT 11 May 95

[FBIS Transcribed Text] Vilnius, May 11, BNS — Lithuanian Prime Minister Adolfas Slezevicius said Thursday he did not consider Energy Minister Algimantas Stasiukynas' resignation an indication that the whole energy system is in critical condition.

The premier told a news conference that Stasiukynas had presented letters of resignation several times earlier. It is very difficult to withstand the kind of pressure that was put on the energy minister, Slezevicius noted.

As regards the resignation of Bronislovas Vainora, deputy energy minister and managing director of the Mazeikiai oil refinery, the premier said he believed it had to do with government measures aimed at tightening tax rules in oil trade. But the government will make no concessions in this field, Slezevicius said and promised to accept Vainora's resignation this week.

The premier said the candidacy of a new Mazeikiai director would be coordinated with the new energy minister, who is to be appointed next week. Deputy Transportation Minister Arvydas Lescinskas is seen as the most likely candidate for the job.

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